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ABSTRACT

In 1982, volunteers in eight New Jersey counties gathered information from 993 respondents through questionnaire-guided interviews about recent local developments in programs traditionally funded and supported by federal legislation. Program areas receiving attention included Aid to Families with Dependent Children; child care; health; the Women, Infants and Children's Supplemental Food Program; mental health; child welfare; education; and juvenile justice. Chapters of this report are organized in terms of the eight substantive areas. Short introductions open each section, explaining programs, current funding, and recent developments in service provision. Findings, as reported by volunteers, are reported next. Finally, examples derived from interviews with program participants, which make up a large portion of the text, are used to illustrate major points. Three issues surfaced when findings were compiled: (1) Cuts in one program invariably meant that difficulties were experienced in others; (2) In many instances, it was impossible to identify single causal factors related to specific problems; and (3) Although prevention programs often provided effective, cost-efficient ways of addressing social problems, these were the programs most likely to be reduced or eliminated when funds were cut. Numerous related materials are appended. (RH)

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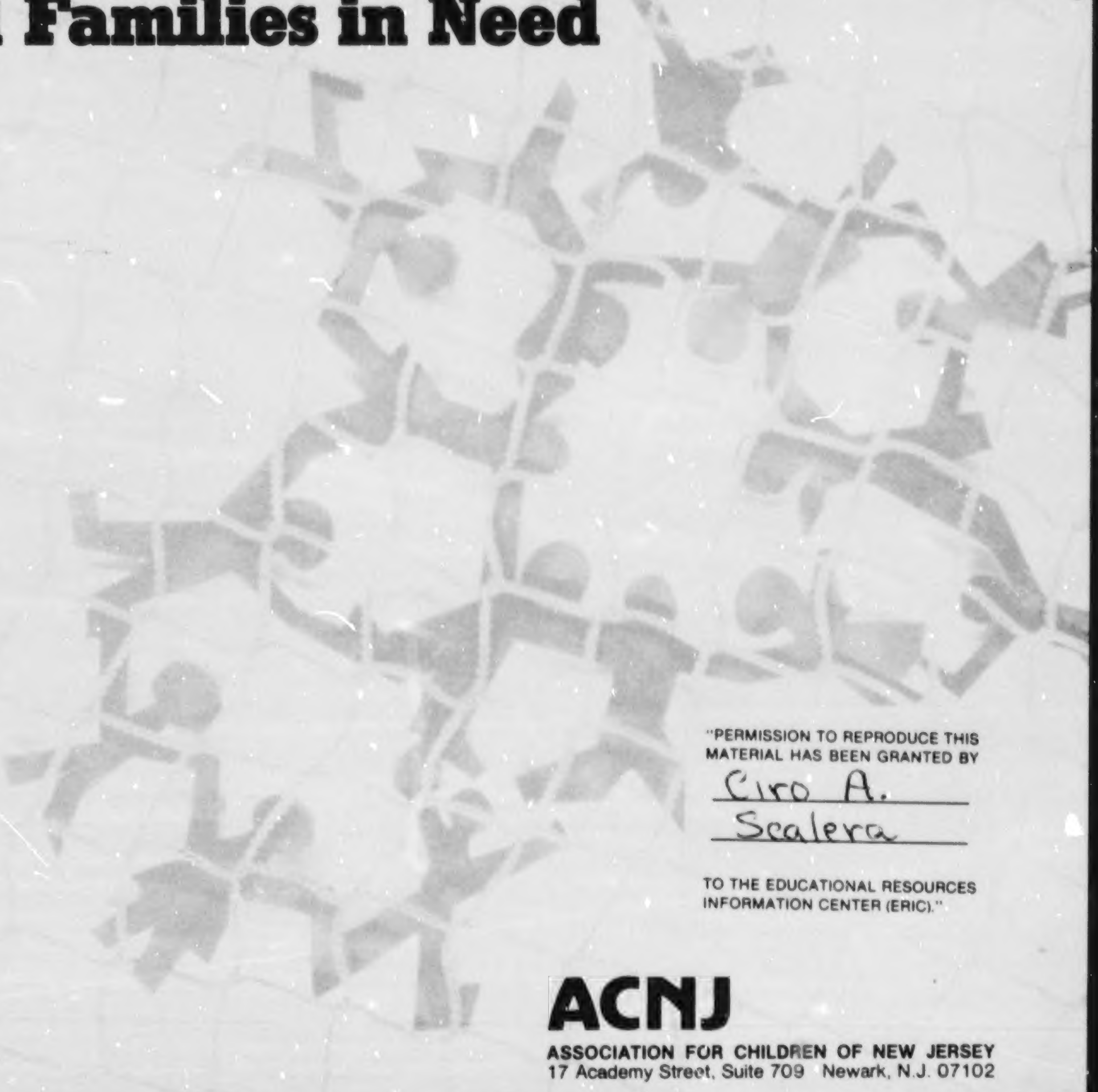
Through the Safety Net:

A Citizens' Report on N.J. Children and Families in Need



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ACNJ
ASSOCIATION FOR CHILDREN OF NEW JERSEY
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Through the Safety Net:

A Citizens' Report on New Jersey Children And Families in Need

COMPILED BY STAFF FROM
THE ASSOCIATION FOR CHILDREN OF NEW JERSEY

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The Childwatch Project in New Jersey was coordinated by the Association for Children of New Jersey. This project was undertaken in conjunction with the Children's Defense Fund and the Association of Junior Leagues, Inc.

Autumn, 1983

PREFACE

This report raises serious questions about the quality of life for many New Jersey children and their families. It documents the struggle of thousands of parents as they try to provide basic needs for food, shelter, clothing and (perhaps most strikingly) medical care for their children. It shows the concern of the many providers trying to assist these families, and their frustrations at being unable, often due to lack of funds, to adequately help needy and troubled children. It also documents how closely interconnected all the needs of these children are, and how the lack of coordination prevents the current state and local systems from more effectively meeting those needs.

There is no question that recent federal budget reductions and regulatory changes have negatively affected these children and families. Most particularly hurt were children of working poor parents who lost both eligibility for medical care and income assistance. Granted, it was often difficult when analyzing the interviews to distinguish between the effects of the budget cuts as opposed to the impact of unemployment and the severe economic recession. The cruel fact remains that social service programs, income and medical care benefits were being drastically reduced at precisely the same time that children and parents most needed support while coping with the reality of the recession.

We have recorded the information gathered by our volunteer interviewers as accurately as possible. We have supplemented this data with state statistics to provide an overview perspective of the effects throughout the state. This is simply a report, however. Unfortunately, there is no way to fully convey to you the utter despair and frustration, so often noted on the interview sheets, that these children and families are experiencing.

This report contains facts. It also includes observations, true stories, uncomfortable but truthful statements. You will find little, if any, editorial comment by ACNJ. Nor will you find specific recommendations or calls to advocacy action. The facts in this report, we believe, speak for themselves. The children and situations you will read about do not exist in another place at some other time. The children described here live among us in New Jersey at this very moment. The situations described have not changed – they remain the same.

It rests with each of us to read this report, to think deeply about the reality reflected here, and to take action in our towns, counties, state and country to address the inequity and deprivation that is occurring. We must not allow ourselves or our governments to abandon these children in need. Their present lives rest with us . . . but our future rests in them.

Richard W. Roper
ACNJ Board President

Ciro A. Scalera
Executive Director

ACKNOWLEDGEMENTS

The list of people to whom we owe thanks for completion of this report is of extremely large proportions since this was truly a statewide endeavor. First and foremost, our sincere appreciation to the County Coordinators and their helpers and the more than two hundred volunteers who administered the questionnaires. They gave freely of their time and efforts over a period of many months, often under trying conditions, to bring this project to its conclusion. The Coordinators to whom we are indebted are Phyllis Boyle of Atlantic County; Julie Turner of Bergen County; Diane Bechtold of Cape May County; Doris Wilson of Essex County; Ida Alphin of Mercer County; Blonnie Wiltshire of Monmouth County; Elsbeth Alsberg assisted by Betty Layden of Hunterdon County; and Carla Wilson of Union County. The names of the volunteers who interviewed in their respective counties, many of them participating in two rounds of data collection, are listed at the end of this section. To all these child advocates our deepest gratitude, for without their support this project would never have been successfully concluded.

To Marilou Foote, who guided the entire Child Watch endeavor through its formative stages and oversaw most of the interviewing, our heartfelt thanks. Without her guidance and dedication, and those of co-workers Sue Conti and Joni Lieberman, the project would not have been a success.

Many organizations and individuals assisted in offering suggestions of people to interview and names of possible volunteers. Along with the County Coordinators, chief among these were Mary Haney, Pat Utts, and Mary Long of Atlantic; Susan Koch-Friedman and Bill Kowalski of Bergen; Philip Campagna of Mercer; Ruth Banks and members of the Union County Task Force in Union; Dr. Meyer Schreiber of Kean College; Dr. Walter Duryea of Montclair State College; Professor Vivian Harrison of Fairleigh Dickinson University; Jean Erb of Cape May; IngeLore Krug and Connie Lemming of Hunterdon; and members of the Essex County Community Coalition chaired by Gerry Harvey. In addition, our thanks to the hundreds of organizations in New Jersey and around the nation who supplied us with referrals and helped us contact their officers and organizations.

Many members of Junior Leagues and the League of Women Voters throughout the state helped in the training sessions provided to the volunteers. Marilyn Tyson, Marlena Mullin and Carolyn Byrne in Bergen; Barbara McWilliams in Essex; Betty Layden in Hunterdon; Terry Tracy and Margery Runyan in Union; and Ann Hedring in Monmouth devoted many hours to the training effort. Numerous institutions around the state offered their physical facilities for training meetings – churches, libraries, YW and YMCA's, hospitals, newspapers, service organizations and businesses. Breakfasts and luncheons were offered by a number of them – the Ocean City League of Women Voters, the Prudential Insurance Company and Public Service Electric and Gas, both of Newark.

Generous contributions and financial support were received from organizations that perceived the importance of the effort: The Junior Leagues of Elizabeth-Plainfield, Montclair-Newark, and Monmouth County, respectively; the Bergen County Junior League, the Bergen County Child Protection Coalition, and the Greater Teaneck Section of the National Council of Jewish Women; the Hunterdon County Community Services Council and the Ocean City League of Women Voters.

Continuous advice was sought from many individuals with specific expertise. Our appreciation to all those who answered our queries willingly – specifically, Toni O'Flaherty, Karen DeViney and Dr. George Halpin. Also, to the many individuals in New Jersey State government departments, to the Administrative Office of the Courts and members of the juvenile justice system, many thanks for the cheerful responses to our written and telephoned requests for information. Data from the state as a whole served to frame the specific county findings, and we are extremely indebted for these responses. To the numerous readers who aided in prepublication review, to our former Executive Director, Linda Wood, to ACNJ Board members and volunteer coders who helped in many phases of the work, our heartfelt thanks.

To the Children's Defense Fund and to the Association of Junior Leagues, our deepest gratitude. These organizations sparked the Child Watch effort and set up the overall framework within which our state efforts found expression. They have offered continous support to New Jersey volunteers and to our organization, and we commend their reports and continuing work to the attention of our readers.

Also, our gratitude to students Joan Cafone and Jody Miller for their indefatigable work on the finishing phases of this report, and to Kenneth Kolb for his help in the Child Welfare section. Our appreciation, as always, to the secretarial staff headed by Elaine Green and aided by Antoinette Abdelmalek, Marilyn Ramirez and Jay Scarmozzino.

We would also like to thank the ACNJ Board of Trustees for their continuous support and commitment to this project and in particular Board members Jean DeLorenzo, Corinne Driver, Richard Roper and Julie Turner, who provided useful insights in the development of this report.

Above all, we thank the hundreds of respondents who came from all segments of the New Jersey community – professional and lay people, providers and consumers of all types of services, private citizens and advocates, government and private sector workers – who allowed themselves to be interviewed during the course of this project. Their information, opinions and ideas are the heart of the survey, and their commitment to the welfare of New Jersey's children is awesome.

On the following pages is a list of individual Child Watch volunteers and organizations which took part. If there are any omissions, we offer apologies. We have done our best to include all those who participated. Again, our deepest appreciation to everyone who took part in what became a statewide effort.

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Ruth Giles
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William Hadley
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Cynthia Smith
Elaine Sutton
Diane Taylor
Marion Torian
Sandy Zaccaria

BERGEN COUNTY

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Vernell Barker
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Anne Forrestal
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Joyce Hooper
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Bev Taht
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Eloise Cotman
Jean DeLorenzo
Marie Donnelly
Ruth Dorner
Margaret Drake
Jane Fiore
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Marion Houston
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Lucretia Leonard
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Ida Lugo
Diana Lunin
Gemma Lury
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Janice Manning
Augusta Mautner
Barbara McWilliams
Carl Moore
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Pat Nelson
Tina Neihold
April Pagano
Enzo Pastore
Betty K. Phipps
Eunice Pinkard
Richmond Rabinowitz
Mrs. Jarvis Reid
Keara Reilly
Ana Retoetilla
Pat Roelke
Marlene Roper
Barbara Safris
Antoinette Schott
Leslie Schmidl
Marie & Robert Schroll
Kevin Silo
Lori Smith
Patricia Steele
Laura Stoeckel
Patricia Sturdivant
Olive C. Taylor
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Elizabeth Tucker
Treacy White
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HUNTERDON COUNTY

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Tina Callahan
Ethel Dampman
Joan De La Cova
Bonnie Eyestone
Nancy Fuchs
Joan Glassner
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Jane Huppert
Lois Jarmicki
Anne Keith
Pat Komssi
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Betty Layden
Margo Matheny
Sandra Matsen
Eileen McAvoy
Lou McMullen
Robin Meaker
Albie Meglaughlin
Olive Nolan
Marion Riordan
Glorianne Robbi
Linda Sieclze
Susan Sinnott
Janet Thatcher
Beatrice Tileston
Marilyn Wilfgong

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Diane Bradley
Janet Collins
Veronica Davis
Mary Ellen Franklin
Harriet Green
Sally Grossman
Ruth Hahn
Emma Hayward
Pansy Newsome
Elizabeth Sheats
Marion Starr
Ivy Whitehurst

MONMOUTH COUNTY

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Mahala Atchison
Margaret Benner
Cynthia Burton
Bertha Coles
Virginia Dambra
Patricia Flaherty
Ruth Floden
Naomi Fuller

MONMOUTH COUNTY (continued)

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Truby Gibb
Elizabeth Grady
Kathy Hefern
Irene Holler
Sandy Johnen
Marion Kasprzak
Ruth & Edmund Klemmer
Elizabeth A. Kelley
Carole Larsen
June Larson
Beverly Lindsey
Shirley Macon
Madlin Muise
Margaret Mann
Janice MacCarthy
Barbara Procino
Angela Puryear
Jack Rein
Mamie Russell
Stelma Sancious
Edna Smith
Margaret Shippy
Margaret Upperman
Nancy L. Washington

UNION COUNTY

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Lillian Barry
Linda Berkowitz
Gloria Brown
Randy Citron
Susan Coen
Susan Cramer
Collen Crystal
Judy DeLeon
Emil De Riggi
Viola Dowe
Patty Edwards
Ilene Freedman
Lois Henninger
Joanne Hone
Anita Hoynest
Joanne Karanicola
Marianne Kerwin
Sheryl Kirschenbaum
Pam Klinger
Elsa Koestler
Susan Lehman
Verna Lemberg
Deborah Lessman
Roberta Lonquist
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Helen Matwes
Mindy Mayerman
Peggy O'Brien
Joan Palin
Sandy Panzer
Doris Patterson
Linda Rauh
Frances Reinauer
Lori Robinson
Faith Rodgers
Alice Rugg
Eleanor Smith
Barbara Speni
Denis Stone
Ruth Thatcher
Margaret Walker

VOLUNTEER-AFFILIATED ORGANIZATIONS

Alpha Kappa Alpha, Bergen County
Alternatives to Domestic Violence, Bergen County
American Association of University Women, Bergen, Hunterdon and Monmouth Counties
Association for Children of New Jersey
Big Brothers, Big Sisters, Bergen County
Central Jersey's Black Women's Network, Mercer County
Church Women United, Essex, Mercer and Union Counties
Community Health Law Project, Essex County
Delta Sigma, Mercer County
Department of Education, Hunterdon County
Fairleigh Dickinson University
Family Life Center, Bergen County
Foster Grandparents Program, Atlantic County
Foster Parents' Association, Monmouth County
Harborfields Employees, Atlantic County
Head Start, Union County
Junior League, Bergen, Essex and Monmouth Counties
Kean College
League of Women Voters, Cape May, Hunterdon and Mercer Counties
Montclair State College
National Council of Jewish Women, Bergen County
National Council of Negro Women, Bergen and Monmouth Counties
New Jersey Association for Education, Atlantic County
New Jersey Chapter –National Committee for the Prevention of Child Abuse
Ocean City P.T.A.
Parents Anonymous, Monmouth County
Private Industry Council, Atlantic County
Suburban Cultural Educational Enrichment Program – Protestant Community Council, Inc.
Essex County
Tough Love, Monmouth County
Union County P.T.A.
Union Township P.T.A., Hunterdon County

* * *

Photos Courtesy of the United Way of Essex and West Hudson

EXECUTIVE SUMMARY

AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)

- Children in the AFDC program have been the hardest hit by the 1981 Omnibus Budget Reconciliation Act (OBRA) cuts. From September, 1981, to December, 1982, there were almost 55,000 fewer children in the program. Children represented more than 75% of the total number of people cut from the caseload.
- The entire character of the AFDC program has markedly changed. The work incentive measures were sharply curtailed and only the poorest of the poor are now eligible. By the end of 1982, the number of working families receiving partial benefits had been cut by 75%.
- For working poor families, the loss of Medicaid coverage was the most negative of the consequences of AFDC termination. Second in importance was the loss of child care assistance. These losses were cited as an important factor in reducing the work initiative of single mothers who felt that they could not provide for their children without such help.
- There was a dramatic increase in the number of families forced to seek emergency aid for basic needs, with food heading the list. Voluntary agencies, many with no previous experience in this area, reported that they were often unable to meet the growing demands of this needy population.
- Reports from welfare workers and private sector providers indicated that the AFDC benefit level is totally inadequate to support those children who must depend on this assistance.

CHILD CARE

- There is a pressing need for additional child care programs that families can afford. All respondents spoke of "latchkey children," children being left home unsupervised while mothers work.
- Although New Jersey opted to support Title XX child care, it could not completely compensate for the loss of federal funds. Some centers were cut in allocations. Others, although receiving the same funding, were forced to restrict programming because there had been no increases for many years.
- The sliding-scale fee imposed on parents of children receiving child care in Title XX child care centers often caused poor families who could not afford the expense to remove the child.
- Many centers reported that parents withdrew their children from Title XX centers due to an inability to pay the full fee requested. Small salary increases often resulted in the family's income exceeding the eligibility guidelines for reduced fees. These eligibility guidelines have not been adjusted since 1980 although they are supposed to be pegged at 80% of the yearly median state income.
- After-school programs were badly affected by budget curtailments, although this type of care was identified by respondents as a much needed service.

HEALTH

- During the year following the OBRA legislation, over 18,500 fewer children received Medicaid benefits. Most of them were terminated from Medicaid as a result of lost AFDC eligibility. They swelled the numbers of those with no medical coverage, since in this state there is no organized medical program to aid them or their families.
- A large number of New Jersey children, sandwiched between the cut-off point of AFDC and the "Poverty Line" ($9,287 for a family of four), were medically needy, since they belonged to families who could not pay for their medical care. Others, slightly above the poverty level, were also in that category.
- The public has little knowledge of the types of medical services available to low-income individuals, and this hinders utilization. In addition, access is difficult because of the centralization of health care facilities and a lack of transportation for the low-income population who are often without private vehicles.
- Many hospitals and physicians reported that parents are waiting longer to bring children in for care because of a lack of funds. There has been an increase in the number of cases where the illness has worsened because of delayed medical care.
- Children and parents covered by Medicaid have difficulty in finding doctors who will care for them since many physicians will not accept them as patients.

WOMEN, INFANTS AND CHILDREN'S PROGRAM (WIC)

- Problems of WIC enrollment led to long waiting lists and many children and mothers with nutritional needs not being served. Statewide, only 33% of those determined to be eligible are being served. The lack of administrative funds has resulted in a serious reduction of staff and services.

MENTAL HEALTH

- While mental health problems of children were reported to be rising, it was increasingly difficult for poor children to receive appropriate treatment. Many community-based agencies reduced staff and services because of federal cutbacks. In addition, state focus on the chronically mentally ill had already led to a shortage of children's services.

CHILD WELFARE

- Child Welfare workers saw an increase in the incidence of abuse and neglect after the institution of OBRA. Many felt that the severity had increased as well. Division of Youth and Family Services (DYFS) workers in seven of eight counties reported that there had been an increase in reports of abuse and neglect in the fall and winter of 1982. They linked the rise to the worsening economic situation, to losses of AFDC benefits and to decreases in available child care.
- It was reported that due to understaffing, DYFS was often able to respond only to crisis situations involving abuse. Consequently, some cases of neglect were not being addressed and preventive services were not provided.

EDUCATION

- All education programs experienced reduced funding, although changes in the population formula for allocating funds led to a reinstatement of some Chapter I federal funding to many individual New Jersey schools. Reductions to programs for handicapped pupils were the result of decreases in state aid, while the others were the result of federal reductions.

JUVENILE JUSTICE

- Supportive and preventive services for children involved with the courts were seriously affected. Personnel in all areas of the juvenile justice system reported that fewer appropriate programs were available for juveniles.
- It was reported that the Division of Youth and Family Services (DYFS) was unable to expedite suitable residential placements for juveniles.
- Overcrowding was reported in a number of JINS shelters and detention facilities, along with an increase in the length of stay for juveniles. The lack of community-based programs and the inability to facilitate placement were cited as reasons for these conditions.
- The loss of the Law Guardian Program of the Department of the Public Advocate eliminated skilled, knowledgeable counsel for children.

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INTRODUCTION

This is a time of crisis for poor and troubled children. Cuts and gaps in services have seriously diminished the quality of their lives. To many it appears that children and their families have been singled out to disproportionately bear the brunt of hard times.

The recession is partly responsible for conditions that have struck at poor children in such a destructive way. However, it is not the only reason. The first years of this decade were marked by a legislative revolution, indicative of a new philosophy regarding government responsibility for the well-being of its citizens. The Omnibus Budget Reconciliation Act of 1981, enacted by a Congress intent on carrying out proposals of a new Administration, has resulted in greatly reduced participation in services that have long been considered the legitimate concern of government. Education, juvenile justice, child welfare, social programs of all types have lost both fiscal and operational support as a direct result of these actions. Above all, Aid to Families with Dependent Children, a program which provides necessary monetary supports to poor and low-income children, has suffered as a result of a new view of governmental responsibility. Poor children - vulnerable and lacking a political voice - have been especially hurt by actions taken in Washington.

This has happened at a time when there are increasing numbers of children living in poverty in the United States.[1] Although children are declining as a proportion of the population,* the number of low-income children has increased in the last three years from 16% to almost 20%. Moreover, more than one-fourth of all children now live in households with incomes below 125% of the poverty level.

Two factors account for much of this increase: a rise in one-parent families and the current recession. Twenty-one percent of all children live with a single parent - almost all of them (90%) with their mothers. The picture of these women-headed households is extremely grim. Half of all children living in households headed by women were in poverty in 1981. Unemployment has also badly affected children. Families with an unemployed parent are three times as likely to be in poverty than families where the parent is employed. Even families that work have been affected in this latest recession, since the slow economic growth has often resulted in salaries that have either decreased or, at best, been frozen.

At the very time that the low-income population has increased, federal spending on children and their families - especially those with low incomes - has declined in real terms. Under current policy it will continue to fall. The average benefits received by families under federal programs have fallen by an even larger proportion than total spending levels.

These conditions have aroused individuals and organizations throughout the country who are concerned about the status of children. Reports of the seriousness of the situation - results of both governmental action and economic conditions - have grown. They have given rise to an indignation that cannot be ignored, that insists that the rights of the voiceless and those without political power be protected. The position is clear: It is time to restore a measure of fairness to the way in which the government deals with the low-income children. It is time to divide the economic pie so as to recognize obligations to the new generation. In the words of the Children's Defense Fund, it is time to establish a "national floor of decency" for the young.

---

*Children under 18 make up only 28% of the U.S. population. Those under five make up 8.5%, having shown a small recent increase.

Child Watch is a major element in the response to governmental inequities to children. It was planned by the Children's Defense Fund and the Association of Junior Leagues as a means of assessing the local impact of the 1981 legislation. It is a means of finding out just what OBRA did to children living in a particular community. Nationally, about 87 projects are in progress, utilizing hundreds of volunteers who are monitoring and assessing the situation as it affects children in their home areas.

This is the report of the New Jersey Child Watch project which gathered information in eight counties during 1982. A description of the project in New Jersey is given below. Three important issues surfaced when the findings of the project were compiled. These issues are: 1) the inter-connectedness of all the areas examined; 2) the difficulty of ascribing results that were found to specific causes; and 3) the reduction in programs of prevention.

When the interviews were examined, one immediate finding was the high degree of relationship between the various programs and problems. Cuts in one program invariably meant that difficulties were experienced in many others. For example, stricter AFDC eligibility guidelines not only caused thousands of New Jersey families to lose their monthly grants, but also medical coverage and child care benefits for their children as well. At the same time, these struggling families were faced with cuts in food stamp subsidies and school lunch programs. Extreme stress caused by financial problems puts a severe psychological burden on the family. As economic difficulty increases, incidents of child abuse and neglect appear to rise. It is not uncommon for a parent to place their child in a foster home when they are unable to provide for the basic needs of their family - financially or emotionally. Cuts in community mental health and child welfare programs, however, have seriously reduced interventive and support programs for troubled families...and so on, throughout the system.

Second, during the analysis of the questionnaires, it became apparent that it was impossible to identify and isolate which factor caused which problem. The difficulties that are described here stem from many factors - the recent cuts in budgets and changes in administrative policies, serious problems in the economy, and the culimination of years of inadequate programs which never responded appropriately to the needs of children and their families. Where possible, causes have been identified. There are many instances, however, where the roots of the difficulties are too complex for easy attribution.

Third, although prevention programs often prove to be effective, cost-efficient ways of addressing many social problems, as funds were cut they were the most likely to be reduced or eliminated. Many of the service providers interviewed expressed great concern over the reduction of these services, and the lack of government support for programs of this sort. Though tremendous concern has been expressed in New Jersey in recent years about juvenile crime and delinquency, numerous community-based programs working with at-risk youth were eliminated, even though they have clearly demonstrated their effectiveness in re-routing children from a delinquent lifestyle. After -school programs were cut drastically - increasing the number of unsupervised children left at home or roaming the streets. Many programs aimed at increasing self respect, and reducing incidences of substance abuse or/and mental illness in children were cut. Throughout the report these examples can be read.

THE NEW JERSEY CHILD WATCH PROJECT

With the Association for Children of New Jersey coordinating the effort, volunteers in five counties (Atlantic, Essex, Hunterdon, Monmouth and Union) completed over 450 interviews during the spring, talking with program administators, advocates, service providers and parents. In fall and winter, volunteers in three additional counties (Bergen, Cape May and Mercer) joined the project while those in the original counties completed a second round of interviews, to assess the changes which may have occurred in the intervening months. Together, they carried out over 500 interviews. For both rounds, about 225 volunteers completed a grand total of 993 interviews. (A table listing the number of interviews conducted in various substantive areas - AFDC, Child Care, Child Welfare, Child Health, WIC, Child Mental Health, Education and Juvenile Justice - can be found in the Appendix.)

The interviews were structured by use of uniform questionnaires developed by the Children's Defense Fund. In addition, ACNJ developed questionnaires in the Juvenile Justice and Education areas for use in New Jersey. These were geared to the particular roles of individuals to be interviewed - i.e., in Education, for instance, specific interviews for parents, others for teachers, others for school superintendents and so forth. The questions were aimed at gathering information about recent local developments in programs traditionally funded and supported by federal legislation.

In each of these substantive areas, both public and private service providers - directors and line workers - as well as advocates and citizens presently or formerly receiving service, were interviewed in each county. For example, in the AFDC section, welfare directors and workers, private providers of emergency programs, representatives of community programs, advocates and individuals who had received benefits in the past were interviewed. In the Child Care section, county-wide directors and workers in individual centers, parents of children receiving child care services and advocates were interviewed. Other sections generally follow this sampling pattern.

Volunteers were the cornerstone of the effort. They included private citizens and people affiliated with numerous organizations. Many hours were spent in training sessions, in actual interviewing and in collating their material. When interviewing, they usually went in pairs so as to check impressions and jointly write up the sessions. One result was that the volunteers came to know first hand their communities, the services which were offered, and where the funding decreases and gaps were hurting children. In addition to these efforts, some statewide information was gathered by ACNJ staff through personal interviews and telephoned conversations. These helped set the county information into a statewide perspective.

The following chapters are organized into substantive areas and follow the manner in which volunteers were organized. Short introductions open each section, explaining programs, current funding and recent developments in service provision. These are followed by the findings as reported by the volunteers. Every attempt has been made to faithfully render the material as seen through their eyes, in as objective a manner as possible. No conclusions have been made independent of their observations or comments given to them by respondents. In unusual cases where there is an editor's note, it is explicitly labeled as such and set in parenthesis.

The examples, which make up a large portion of the text, come from actual interviews. They are used to illustrate the major point being made. In gathering information, descriptions and vignettes were requested. We have made a conscious attempt to include only those which are typical and exclude those which are unusual or sensational.

Since this material was gathered, many changes have come about, for the situation is particularly fluid as economic conditions change. The Division of Youth and Family Services is one such example. From the situation in first round interviews as described in the Child Welfare section, there have been significant new developments. The Division is in the midst of hiring more direct service workers, providing comprehensive training to both workers and foster parents and attempting to augment casework staffing levels through greater involvement of community agencies. Still, not all the difficulties seen by the volunteers have been addressed.

It is our hope that this report may serve to point out the places where serious deficiencies exist in our care of children. We hope that it can lead to improving the future for the children of New Jersey and, by doing so, better the quality of life for us all.

CHAPTER ONE

AID TO FAMILIES WITH DEPENDENT CHILDREN

For over 270,000 children in New Jersey, the Aid to Families with Dependent Children program (AFDC) is a means of survival. It is the only program in the state and the country that explicitly protects poor children by providing their families with cash assistance for their care. Though few children grow up on AFDC, for many thousands of them in New Jersey every year, it means the difference between growing up healthy and cared for, or hungry and deprived.

Families at all income levels have been faced with difficult social and economic problems in recent years. As trends of unemployment, high inflation, marital disruption and family break-up continue, more and more parents are finding it impossible to provide for their children completely on their own. AFDC represents a way for families to exist through hard times. Although benefits, even at the maximum level, do not provide enough for a family to rise to the poverty line (see Appendix), eligibility for the AFDC program gives parents and children access to additional support programs such as Medicaid.

AFDC AND THE OMNIBUS BUDGET RECONCILIATION ACT OF 1981

In the summer of 1981, Congress adopted the Omnibus Budget Reconciliation Act (OBRA) which consisted of budget-cutting proposals that had been introduced by the Reagan Administration. Programs providing human services were particularly hard hit, affecting millions of children and adults nationwide.

Through the New Jersey Child Watch survey we have found that these budget cuts and regulation changes have had a serious impact on the lives of thousands of New Jersey children and parents. Loss of benefits have been particularly hard on working poor families, many of whom are finding it increasingly impossible to provide for their families' needs.*

The specific changes in AFDC regulations that have had the most severe impact on families can be divided into two categories:

1. Changes that affect the formulas used to determine eligibility for the program, and the amount of support awarded for those found eligible.
2. Policy changes which make ineligible or restrict eligibility for whole categories of formerly eligible recipients.

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*Included in the Appendix is a report on the impact of OBRA legislation on Middlesex County AFDC families, a study undertaken by faculty members of the Rutgers Graduate School of Social Work. Also, see Footnote No. 3 for reference to a report describing the impact on AFDC families in Monmouth County.

Many families are no longer eligible because of new formulas:

- Now eligibility is based on gross income (before income tax) rather than on net income (after income tax) as in the past. This must be less than 150% of the state's standard of need (see Appendix) in order to receive AFDC benefits.

Other families have become ineligible because of changes in a work incentive measure which allows the client to withhold a portion of earned income and have it overlooked ("disregarded") when computing the benefit. This measure is aimed at encouraging employment, offering a type of work bonus.

- This measure, "$30 and one-third disregard," is now allowed only in the first four months of continuous employment. It had been a permanent measure previously.

The benefit is computed differently once eligibility is established:

- Deductions of reasonable work expenses from earned income when computing the AFDC benefit (also called income disregards) have been severely limited. In the past, such deductions could be taken for the entire amount that was spent. Thus, work-related child care is limited to $160 a month per child and transportation and clothing to $75, regardless of actual expense.

In addition, an entirely new method of determining eligibility and calculating benefits is now used with certain categories of families - those with outside income of any kind and those with children 16 and 17 years old. Called retrospective budgeting, the method requires prompt monthly (or bi-monthly) reports from families to the offices through the mail, attesting to expenses and income. Eligibility is computed on this basis. Because of time needed to process these forms, there is now a lag of two months between reporting and receiving benefits based on that particular month. (For more detailed information on OBRA modifications to the AFDC program, see Appendix.)

Beyond the new restrictions introduced in 1981 is a problem familiar to the children and parents in the AFDC program. Benefits are exceedingly low. They do not provide enough, even at maximum level, to rise to the official poverty line. (See Appendix)

- In New Jersey, the highest AFDC grant for a family consisting of a mother with two young children having no other income, is $360 a month or $4,320 a year. With full food stamp allowance, the income is still only $6,132 a year. The official poverty level for a family of three is currently $8,220.

A 1980 study by a non-partisan research group concluded that an average New Jersey family of three living at a minimum level lifestyle (with no extra clothing, no special foods, no outside entertainment of any sort) must have $8,705 annually.[1] The AFDC grant with full food stamp allowance is only 70% of that minimum amount.

NEW JERSEY: RESULTS OF OBRA CHANGES

In New Jersey, these changes resulted in the largest mass reduction of the AFDC caseload since its initiation during the Depression.

From September, 1981, to December, 1982, there were almost 55,000 fewer children receiving AFDC.

The total number of recipients by which the rolls were reduced was 72,585, or 15% of the former caseload.* Almost 76% of this number was made up of children. In brief, the children in AFDC were the ones who were most directly affected by these changes.

It should be noted that this figure represents only the differences in the number of clients from the time of the budget cuts to December, 1982. Because new families were constantly being added to the rolls during this period, it is probable that the number of people cut from AFDC due to the recent changes is actually higher.

Reductions in Working Poor

Reductions in the caseload were made at various times as different regulations stemming from OBRA were put into effect. Few statistics exist at the state level to show the number of people affected by each change. State figures do show that in the initial cuts of October, 1981, when eligibility requirements became more restrictive, 19,550 children in New Jersey lost AFDC benefits. They were 75% of the total of 25,942 recipients who were eliminated.**

In February, 1982, the second round of cuts took place, a result primarily of limitations on the work incentive mechanism called "$30 and one-third." (See Glossary) This regulation, originally incorporated into AFDC as a means of encouraging parents to work, was used by those having part-time or minimum wage positions. In the first month this went into effect, 1,900 New Jersey families lost benefits. The state does not have data on subsequent months.

As a consequence, the whole character of the AFDC program has changed. It now contains fewer working families receiving partial benefits. This has happened in spite of the fact that the caseload size has been slowly moving towards the pre-OBRA level.

- Statewide statistics for New Jersey, showing the number of families with any earned income who are receiving partial AFDC grants, clearly demonstrate this trend:

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*In September, 1981, there were 476,899 receiving AFDC. Of these, 324,906 were children. In December, 1982, there were 404,314 recipients. Of these, 270,055 were children.

**It is interesting to note that 1983 figures from the Department of Human Services show that 14.8% of those cut off have returned to the rolls, yet 36.5% of the expenditures saved due to the initial cuts is currently being spent for the returned families. Renewed benefits for these families appear to be over twice as high as was previously necessary. This is because previous grants were supplements to wages; unemployed returnees receive full grants.

January, 1981 (before cuts)	20,859
December, 1981 (after cuts)	8,649
December, 1982	5,095

Thus, the OBRA legislation represented not only the imposition of more restrictive limits on AFDC benefits, but a basic change in the whole philosophy of the program. It had formerly been intended to serve as both a primary and partial supplement to poor families with children, with built-in incentives that encouraged work. The Administration verbally appeared to echo these sentiments. A spokesperson for the White House explained that:

> "We are attempting to underscore the fact that work should be encouraged in American society. The work ethic is central to the solution of the problem of dependency..."[2]

It is ironic that OBRA changes have done away with the program's measures designed to encourage work behavior, even though the underlying policy stance is unchanged.

18-Year Old Eligibility

As a result of age limitations, 7,860 young people became ineligible in February, 1982, the first month of implementation of that regulation.* Where they were the only child, AFDC benefits were terminated for the parents, usually a single mother, as well. New Jersey has no data on the numbers cut because of this measure in subsequent months as other youngsters reached that age. Some states have created educational grants to provide support at least until students finish high school, but New Jersey has not taken similar steps. On the other hand, those from 19 to 21 who have become ineligible for AFDC under OBRA, may still receive Medicaid coverage if they continue to meet the AFDC income and resources tests.

Retrospective Budgeting

The new procedure was just becoming operational in all counties during the data-collecting period. Not much information had been officially collected yet about its effects. However, it was known that months in which there are five weeks, with five pay periods, will prove especially difficult. Many families will be ineligible because of the larger monthly salary earned in that time. However, the benefits will not cease at the time the money is being earned but two months later, when the worker may no longer be gainfully employed. In 1982, welfare officials estimated that at least 286 AFDC eligible families will be affected annually.

Legislation has been introduced in New Jersey which could create an emergency fund to provide for eligible families who are temporarily without adequate resources due to retrospective budgeting. To this date, however, action has not been taken to help these families.

Loss of Related Benefits: Medicaid and Child Care

When the AFDC benefit is terminated, there is an automatic loss of Medicaid, for eligibility is linked to receiving full or partial AFDC benefits. Although families who were eliminated due to increased earnings have a four month "grace period" in which they are still covered by Medicaid, many are unable to acquire any other type of medical coverage for themselves. Often it is too expensive, either for themselves or for their dependents, or it is not offered by their employers. (In jobs with low wages, benefit packages tend to be very poor or non-existent.) It should be noted that families cut from AFDC because of the limit in the work incentive measure are not eligible for the Medicaid "grace period."

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*Adolescents under 19 who are full-time students in a high school or vocational training program will not be terminated if they can reasonably be expected to graduate before the age of 19.

In spite of the feeling that individuals would return to the rolls primarily because of loss of Medicaid, state statistics showed that there had been only an approximate 15% return as of February, 1983. It is apparent that the vast majority of parents are attempting to remain independent, although it may be a most difficult task. In the Health section, reports on how they cope will be given. A report contrasting a group of families who returned to the AFDC rolls as opposed to those who remained independent after being terminated has been prepared by Kenneth Kessin under the auspices of the Monmouth County Board of Social Services.[3]

In addition to the loss of medical coverage, the loss of even a minimum AFDC grant could mean the elimination of day care assistance for children of working parents.* The previous regulations allowed for the deduction of all child care work expenses for an eligible AFDC child when computing benefits. Because of OBRA restrictions, the limit is now $160, regardless of actual cost.

It should be noted that children of working poor families cut from AFDC could theoretically receive child care from Title XX centers where supplements are still available to them. However, two deterrants might be operating: 1) There are few Title XX slots available. If the child is not enrolled already in such a program, it might be difficult to find an available facility. 2) The sliding-fee that has been levied at Title XX centers, although minimal at the lowest income level and seemingly reasonable, is extremely difficult for the poor family to pay.

On the other hand, if the child has been enrolled in a program which is not receiving outside funding, the loss of the AFDC assistance would be of considerable importance. It may cause the parent to seriously consider future work plans and/or child care provisions in terms of affordability rather than quality or effects upon the child.

ADDITIONAL COMMENTS: THE WORK INCENTIVE TRAINING PROGRAM

Thirteen of New Jersey's twenty-one counties currently participate in the optional WIN program, five of them in the new WIN demonstration program. It is intended to help AFDC parents and children over age 16 receive job training or find jobs. Formerly, WIN was operated jointly by the Department of Labor and the Department of Human Services. It is now operated solely through the Department of Human Services, which sub-contracts some services to the Department of Labor.

On the state level, data from December, 1982, shows that only 177 people (.25%) out of approximately 70,000 WIN registrants for that month found unsubsidized employment (income high enough to disqualify them for AFDC benefits) and 237 (.34%) received reduced grants due to employment. In 1982, the New

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*See Child Care Section.

Jersey Department of Labor evaluated the program. They reported a 90% job retention rate for those WIN participants who found a job. This, however, is based on a single follow-up done on WIN recipients after they had been working for only 30 days.

CONSEQUENCES

1. Budget cuts have been particularly hard on the working poor. As indicated previously in this report, the character of the AFDC rolls has dramatically changed, with working families receiving partial benefits comprising a much smaller percentage of the caseload. Interviews with welfare directors, income maintenance workers, advocates, private providers of service and parents themselves indicated that those most affected by regulation changes were individuals who were partially dependent on AFDC, and, in most cases, were working hard to become independent.

   . Representative of this change is the report from Cape May County, where the caseload in January, 1983 (following the cuts) was 1, 112 families,almost exactly the same as the 1,119 family caseload for January, 1981 (before the cuts). In January, 1981, however, 222 families on the caseload were headed by working parents. In January, 1983, only 69 working families were enrolled in the AFDC program, a decrease of 69%.

Although cases of families giving up their jobs so that they could return to the AFDC program were said to be known in every county, most people interviewed observed that the majority of working people who were cut were not returning to AFDC subsidization. They commented that these families were trying to make it on their own and seeking alternative ways of coping with poverty. Our reports indicate, however, that working poor children and parents are experiencing varying types and degrees of hardship. Almost each interviewer commented on the financial difficulties encountered by the working poor.

. The Mercer County Board of Social Services reports that very few of the people re-applying for welfare are the working poor families. The respondent commented that these are very proud people who had never been in this situation before, and who for the most part, had been driven to apply for AFDC due to a crisis situation. Though working poor families are now considered ineligible for AFDC, they are confronted with increasing debts, lack of food and increased stress.

All of these working families, in order to get by,are confronted with what service providers term "impossible choices." These comments are typical:

. In Bergen County, families are asking for help on "negotiable items" like food and medical care but cannot withhold money that must be paid for rent.

. The Atlantic County NAACP reported that in some cases cutbacks in AFDC and food stamps have left children on the border of starvation. Families pay the rent, in order to avoid eviction, but sacrifice heating and gas in order to get by.

- In Cape May County, five children and their parent were evicted from their home when they could not pay the rent. They are now crowded into a two-bedroom apartment in a housing project.

2. Loss of Medicaid is the most important negative consequence of a loss of the AFDC benefit. Likewise, the Medicaid coverage is often of primary importance to those still receiving partial AFDC assistance. This was reported by all respondents in all counties.

   - A Monmouth County working mother commented: "I wouldn't mind not getting the money, but I really need the Medicaid for doctors, dentists, glasses. I mean, Blue Shield and Blue Cross want $194 every four months. How do I afford this?" This mother went to ask why the system should punish a working mother who barely makes enough to support herself and her children and cannot afford expensive medical bills.

   - An Essex County mother desperately pursued AFDC eligibility so that she could have Medicaid assistance for her family. Her daughter of eight has sickel cell anemia and a bad heart. When the child was hospitalized not long ago, a bill of $1,500 was incurred which the mother cannot pay.

   - Despite doctor's orders to call immediately at any sign of illness, she "waits a few days" because of costs. She plans to keep changing hospitals when she must use them in the future, in order to avoid those where she owes money, although the child would receive better care where her history is known.

   - Several hospital physicians noted to Child Watch that they had oberved more cases where parents, unable to afford doctor costs, waited until the child was extremely ill before rushing to the hospital emergency room.

   - In Monmouth County, loss of Medicaid benefits has caused many problems to those struggling to pay medical bills. Some families moved to poorer housing as a consequence while others were deeply in debt.

3. A second important loss is that of child care. Without the AFDC benefit which is tied to child care assistance, it is often impossible for a working mother "just getting by" to continue child care payments. The child is then deprived of a meaningful experience plus a needed caretaker when his/her mother is working.

   The following reports are representative of the vignettes and comments that were given:

   - A factory owner called the Union County Board of Human Services stating that several female employees were quitting so that they could return to AFDC. "The increased fees they had to pay for child care made their margin of pay for working too small relative to being on welfare."

- In Monmouth County, service providers reported that more and more children are being left unsupervised during work hours because the parents, no longer receiving AFDC supplements, cannot afford even the sliding-scale fees at child care centers.

- In Union County, one mother who lost all her AFDC benefits told the interviewer that she now must work two jobs, from 9 AM to 9 PM, with only four days off a month, in order to provide for her family. Before losing her benefits, she was able to work fewer hours in order to spend time caring for her children. They are now unsupervised after school. This mother reported that her greatest worry is lack of medical coverage for her children which neither of her jobs offers. She reported that each visit to an out-patient clinic at a local hospital cost her $60.

4. The termination of 18 year-olds from AFDC benefits appears to have caused considerable hardship and disrupted many families.

Five of eight counties supplied Child Watch interviewees with examples of the difficulties resulting from this limiting regulation. The following are representative:

- A welfare mother in Essex County was removed from the AFDC rolls because her son turned 18, making him and therefore her, ineligible. He could not find work. She, recovering from a mastectomy, needed extra medical help and could not return to her former employment. While both of them were eligible for General Assistance, the total benefit was considerably less than what they had been granted under AFDC. Moreover, the mother was no longer able to receive Medicaid coverage, even though her medical problems were pressing. (Note: The son was eligible for the Medicaid Only program, as described above.)

- A Cape May County official stated that the regulation has had a noticeably negative impact on the number of lower-income children enrolling in college. However, if the students are welfare recipients as opposed to children in AFDC families, they are still eligible for General Assistance benefits. (Note: These are less in dollar amounts.)

- County providers also indicated that some families with older children had to split up when benefits were taken away, since they could not afford to live together. People in several counties reported that there were more young people living on their own in vans, cars, and abandoned trailers. At least one county welfare office reported an increase in the number of young adults applying to municipal welfare offices for General Assistance.

5. Hardship caused by the OBRA legislation has been instrumental in destroying the work initiative for many low-income families, particularly when they are faced with loss of Medicaid and child care benefits.

Although the rate of return to the program is reported at only 15% for New Jersey, there were reports in each county of families who returned to AFDC or cut down working hours in order to retain eligibility. These parents felt they could not care for their children without AFDC help. Those that do return appear to need higher levels of assistance than previously required.

Typical of these reports are the following:

. A single mother of two children had found part-time work at a dry-cleaners. With OBRA changes, she lost the modest AFDC subsidy she had been receiving, as well as Medicaid coverage. Terrified at the loss of medical coverage for her children, she consulted a caseworker who advised her to cut out two working hours in order to restore her eligibility.

. In Cape May County, a woman with three small children who was separated from her husband was encouraged by one agency to enroll in a work program. She refused because, though earning only the minimum wage, she would lose her welfare benefits and would be unable to afford medical care for her children.

. In Union County, one single-parent mother had been working part-time in a child care center and receiving a partial grant from AFDC. Following the OBRA changes, however, she was notified that she was no longer eligible for AFDC because of her earnings. Faced with loss of medical coverage for her children and herself, this mother gave up her position in order to maintain Medicaid.

6. All counties reported a dramatic increase in 1981-1982 in the demand for the basic needs - food, clothing, shelter, fuel, infant needs such as formula, diapers and baby food. Many agencies that provide necessities stated that requests have doubled and tripled since the budget cuts took effect. The size of the demand was much more than had been anticipated by either the interviewers or Child Watch office staff.

Only a handful of interviews (conducted with pastors of small churches, Red Cross chapters, etc.) did not reflect such a demand although the need was known to them. This was caused by a lack of direct involvement with this population or a highly specific service focus which precluded the giving of concrete items.

. MEND (Meeting Emergency Needs with Dignity) of the Ecumenical Network of Emergency Food Centers in Essex and Union Counties, reported that all 18 of their sites were addressing massive increases in demands for food. By June, 1982, they were serving 1,300 children and families and in December, 1982, the number was 2,500 a month and increasing. One representative reported that food stamps, which are intended to supplement a family's food budget, have become the total food budget. She added that there is a large group of children who are growing up "chronically hungry," a new phenomenon.

- Workers at the Hunterdon County Salvation Army reported a notable increase in calls requesting help with shelter, money for utilities and heat, and groceries, particularly at the end of the month. Most of the calls were from families who have nowhere else to turn, many of them ashamed of having to ask for help. They stated that there is a real increase in calls from a number of older mothers who have been abandoned. The worst problems reported were from working poor families.

- FISH, Inc. in Union County reported that due to AFDC and food stamp regulation changes, they were approached by many families in need of food, children's clothing and other necessities. The demand increased rapidly. In November, 1981, FISH outgrew the house from which it had operated for 12 years.

- In Monmouth County, members of the Office of Social Ministries, Community of St. Benedict Ministrial reported that families were running out of food the last 10 days of the month. They knew of children who existed on crackers and water for days at a time when no other food is available. One mother who was waiting to be evaluated for food stamps (this can take up to 30 days) was feeding her baby sugar water because she had no money for food and formula.

- The Trenton Area Soup Kitchen (TASK) of Mercer County reported that they have been feeding 150-170 people a week. This number has been steadily increasing since the cuts went into effect. The respondent noted that there was an increase in the number of parents bringing small children for food.

- Also in Mercer County, the Mt. Carmel Guild added more workers to address the rising requests for food and aid. At the free food pantry, they were forced to exclude single adults (who were referred to the soup kitchen and rescue mission) because of the increased number of families with children who were appearing. In 1982, they served over 4,000 people.

- In Cape May County, according to First Call for Help,* an information and referral service, the federal budget cuts of October, 1981, brought in a record number of calls (1,038) for that month. Requests for emergency food and housing doubled in that period. Many more calls of a serious emergency nature were received, many related to cutbacks in AFDC and food stamp benefits.

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*Update: This program has since been severely reduced in scope and program due to funding problems.

- The Center for Food Action in Bergen County was feeding significantly more people than previously, upwards of 140 people a week. They received about 500 requests for food and counselling each month, compared with 350 a year ago. Many parents asked for baby food and diapers.

- The Newark Emergency Services for Families in Essex County reported averaging 300 requests for assistance a month in June, 1982, with food and shelter being the most common emergencies. In November, 1982, they reported that requests for utility and rental assistance was 15% higher than November, 1981.

- The Atlantic Human Resources told the Child Watch interviewer in June, 1982, that they had experienced a 25% increase in requests for food, medical services and child care. In December, 1982, requests were up to 1,000 a month - a 20% increase over the number in June. In addition to budget cuts, unemployment was a major problem for families in the area who found it impossible to meet living costs.

7. The budget cuts, along with other negative economic factors, were taking a toll on the social and psychological well-being of children and families. About one fourth of the people interviewed were of the opinion that additional stress placed on poor families was having a severe impact on the family as a unit and on the individual members. Several of these mentioned increased incidents of abuse, child suicides, family disintegration, children being placed in foster care and psychological problems. Here is a cross-sampling of these comments:

- The Office of Social Ministries, Community of St. Benedict in Holmdel, Monmouth County, reported that child and parent abuse was more evident among families with whom they work.

- In Union County, at the Grant Avenue Community Center, they noted a growing sense of desperation and defeatist attitudes among children and parents they assist. They also reported that economic stress has led to a noticeable increase in family disintegration.

- One Salvation Army unit in Essex County reported that they are now counselling a number of children whose parents placed them in foster families when they were no longer able to care for them.*

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*Update: This program is no longer operating, due to lack of funding.

- In Monmouth County, AFDC mothers who were interviewed indicated that they experienced an increase of anger, decrease in patience and the tendency to "take things out on the child" because of tensions caused by financial pressures.

- A community worker in Mercer County observed that OBRA changes had a negative impact on families and children. She reported an increase in emotional abuse and neglect, especially of children whose parents were dealing with problems such as unemployment and divorce. There had been a rise in youth suicides and suicide attempts. She also noted that state funding priorities resulted in funding for deinstitutionalization with much less going to preventive programs.

- The American Red Cross in Essex County stated that since October, 1981, the amount of anxiety, hostility and frustration expressed by people asking for their help has increased.

- The Director of MEND, Essex County, reported that families had an "overwhelming sense of hopelessness." She commented that so many people who had tried to make it on their own were giving up. Before, MEND was a resource in a crisis situation for people, but now the people contacting them were in a constant state of crisis. This woman reported that she saw this system creating a new kind of dependency from which parents saw no escape.

- The Center for Food Action in Bergen County reported that they knew of more cases of child abuse since budget cuts took effect.

The feeling of defeat and hopelessness were exacerbated by the lack of work/independence incentives in the AFDC program.

- Women in Touch in Cape May County reported that as a result of cuts, fewer women were coming in looking for work because they would lose AFDC and Medicaid under the new regulations if they earned a salary. "The financial incentive to go to work has been greatly reduced."

- Youth workers in both Union and Essex Counties commented that, due to the regulation that the income of a 16-17 year old must be calculated as part of a family's earned income when determining AFDC eligibility, some parents were hesitant to allow their teenagers to participate in summer job programs, since they feared losing, even temporarily, their AFDC and Medicaid benefits.

- Monmouth County AFDC mothers stated that they were not encouraged by benefits to increase their educational level. They reported that if they attended school and received a stipend, their benefit check was cut substantially.

- The Atlantic County Women's Center in Cape May County reported that women who once worked now stay on welfare, since their AFDC benefits would be eliminated. It was also mentioned that those who are battered now stay in the shelter or remain in the situations where they are abused because "they cannot make it alone with children to provide for" since the OBRA regulations took effect.

8. Although the OBRA regulations alone have negatively impacted on children and families, the Child Watch survey shows that the system of support for poor children was inadequate even before the budget cuts. As mentioned previously, the current New Jersey standard of need (which is equal to the maximum benefit level paid to an AFDC family) falls far short of the official federal poverty guideline; it is even further below the estimated adequate cost of living standard for New Jersey. Despite high inflation, the standard of need in New Jersey has not been adjusted since 1980. Consequently, families dependent on AFDC are existing on a substandard level.

This issue was brought up in four of the eight counties by either directors or workers in welfare offices. In addition, private providers working with AFDC populations also commented on the inadequate benefit levels which cannot see a family through the month. Because welfare offices cannot, by law, give additional help during the month to an AFDC family, unless it is a case of homelessness or verified theft, those who run out of food must turn to charitable private organizations.

- A representative of the Union County Legal Services Corporation stated that even in good times the program was never adequately funded. This person felt that with increasing unemployment and a depressed economy, children were definitely at risk. He reported that there is a sub-class of children the government knows nothing about, who are growing up without the benefits of income assistance and education.

- MEND of Essex County also reported that the inflation rate had been devastating to people on AFDC, stating that the benefits, even before budget cuts, were rarely enough to get a family through the month.

9. Budget cuts to provider agencies have severely limited the ability to provide necessary services. Almost all social service organizations commented to Child Watch interviewers that they were both overwhelmed by the increased emergency demands they were receiving and hurt by funding cuts. Many felt that they were no longer able to provide any sort of preventive or remedial services, but had to focus, instead, on crisis situations.

- The Montclair Neighborhood Development Corportation in Essex County reported a 20% cut in funding in July and an additional 23.6% cut in November. They moved, fired several staff and eliminated a tutoring program for children. They reported ever-increasing applicants and demand which they are unable to fill.

- Community organizations in most counties reported cuts in funding. Although most tried to absorb the cuts themselves, many reported that summer programs for youth, tutoring programs, transportation and lunch programs were severely reduced or cut altogether.

- The Hunterdon County Board of Social Services reported that they are unable to provide day care, transportation, educational assistance, etc. to enable AFDC recipients to reach the goal of self-sufficiency.

- Even though Cape May social service providers reported that homelessness is a problem, particularly for mothers and children, the Women's Center was unable to receive adequate funding. Women using the shelter are now expected to use their own food stamp allotment for food.

- Funding was cut for the Legal Services Association in the state, which provides legal representation for children and parents in cases ranging from eviction to welfare/AFDC complications to adoption. In Union County alone, they served 300 fewer people than they had before the cuts. They were no longer able to handle many types of cases they once represented, leaving hundreds of welfare families without a legal advocate.

10. The Child Watch survey pointed up the need, statewide, for adequate low-cost housing. This condition existed before the OBRA cuts, but it clearly exacerbated the problems of AFDC recipients and the working poor population.*

    - In Essex County, much of the public housing is reported to be either substandard or condemned.

    - New Communities Corporation of Newark reported that when they opened a low-rent 173 unit building, all 7,000 of the applications that were sent out were completed and returned. In addition, many other people who were not able to obtain one of the applications continued to call, attempting to apply for one of the apartments.

    - The Hunterdon County Board of Social Services reported 220 cases of homelessness when interviewed. In addition, the Women's Crisis Service reported receiving 96 calls from homeless women. Workers told of many families with 3-4 children living in a single motel room because they could'nt afford housing.

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*Update: Nine New Jersey counties will receive more than $1 million from a federal grant for emergency food and shelter aid, according to a May 18, 1983, announcement of the Emergency Food and Shelter National Board. Five of the eight Child Watch counties (Cape May, Essex, Mercer, Monmouth and Union) will be receiving a portion of these funds, based on high unemployment rates.

- In Cape May and Atlantic Counties, respondents indicated that the seasonal nature of the shore communities caused unique housing difficulties during the summer months that severely impacted on poor children and families.

- Women in Touch in Cape May County agreed that housing is a severe problem. If a landlord evicts, the family has no place to go. While the Welfare Board had previously allocated security deposits to put down on newly rented accommodations, they no longer offered this assistance.

- In Mercer County, the Board of Social Services reported that clients were doubling up on housing due to cuts. Many children and their mothers were reported as being evicted. A representative of the Trenton Area Soup Kitchen hoped to open a shelter to accommodate some of the homeless in the county.*

- Also, in Trenton, the rent can easily run $250 a month. A worker told of a mother and child with no other income, who received $273 a month, which left them with $23 a month for all other expenses.

- In Bergen County, the Center for Food Action reported that many more county families are living in cars, vans and tents than previously.

- The Newark Housing Authority reported a steady increase in new applications for housing each month (since the summer of 1981). In November, 1982, the waiting list was 6,000 people long - while in July, 1981, there were 3,000 on the list. The Newark Tenant's Council reported a waiting list of 12,000.

11. In all the Child Watch counties, either recipients and/or service workers reported that they felt that the four-page retrospective budgeting monthly statement and the complicated computing system was confusing and unfair to clients. Three county welfare officials reported that serious problems had arisen because of the regulation. While four others did not address the issue, the fifth stated that he anticipated client difficulties, although the system was too new to assess in his county. In one worker's judgement, although they had attempted to train clients to save money in order to be able to meet disruptions due to retrospective budgeting, it was futile to expect families with such meager resources to be able to comply.

    - In shore counties, such as Cape May and Atlantic, retrospective budgeting caused particular hardship due to the seasonal nature of employment. A mother who was

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*Update: As of May, 1983, the shelter has not yet opened due to "red tape."

- able to earn a decent salary as a part-time waitress in August, for example, would not be eligible for any funding in October (since benefits are based on income from prior months) despite the fact that she may no longer be employed or earning sufficient income to support her children.

- The Monmouth County Board of Social Services reported a situation where the retrospective budgeting procedure caused one family to lose Medicaid at a time when a child desperately needed to be hospitalized. The child literally hovered between life and death, with the mother hysterical because she was suddenly without medical coverage.

- In Bergen County, a two-parent working family with two children had not received their AFDC check due to retrospective budgeting. Unable to survive on their low income, they depended on the Center for Food Action for food until the next month when they were again eligible for AFDC. They commented that they were behind in paying all their bills, and feared they'd never catch up.

Child Watch reports also show that retrospective budgeting causes hardship for people in subsidized housing, since rents are based on expected income and do not vary when AFDC benefits are reduced or eliminated because of retrospective budgeting. Many reports addressed the issue which this example describes:

- The Elizabeth Housing Project reported that more families were unable to pay their rent on time since their AFDC grants fluctuate greatly from month to month, and do not reflect the family's available cash.

In anticipation of difficulties, counties like Essex and Mercer spent considerable time and effort in preparing families to correctly carry out the required reporting. However, welfare officials, by and large, were skeptical of the entire procedure and questioned its cost effectiveness. Since it relied on postal distribution, there were costly mailing expenses. In addition, county workers had to put in additional work hours processing forms and, when computer time was missed because of the increased workload, had to manually issue benefit checks.

12. There was considerable criticism of the WIN program. (This program had not figured in the budget cuts.) In two counties, providers familiar with and/or working with the WIN program questioned whether it was helpful to AFDC parents:

- An Essex County welfare worker commented: "WIN is a training program with no job prospects. Two clients in six years got jobs through WIN. One got a job at a toy manufacturing plant and was laid off."

- In Mercer County, one worker stated that WIN does not provide adequate training for real jobs, nor does it help get people off the welfare rolls. Another compared it unfavorably to the CETA program.

Other comments on the WIN project included concern that the provision requiring AFDC eligible children age 16 or older to register and participate in training was a disincentive to finishing school, and that the system was not always flexible or clear for parents required to register:

- An Hispanic mother was told in English to register for training, etc. She didn't understand and, failing to register, lost all benefits. When someone explained what had happened in Spanish, the client registered immediately; however, she was told when she attended class that there are no programs for people who don't speak English.

However, one of the WIN demonstration projects was acclaimed:

- In a program in Union County, AFDC parents are trained as home health aides in the WIN demonstration project. There were over 100 inquiries for 75 available slots, attesting to the desire to work for many AFDC recipients and the popularity of the program, which trains for jobs that do exist.

CONCLUSION

Child Watch interviews in the AFDC section gave a graphic picture of hardship which came about as a result of OBRA legislation affecting low-income families in the eight counties surveyed. Loss of AFDC benefits increased the difficulties parents encountered in providing basic necessities for their children. In the eight counties, thousands of families sought food and other assistance from social service agencies, churches, food pantries and soup kitchens. Working poor families were particularly hard hit. The loss of Medicaid coverage and child care subsidies which were provided when they were AFDC recipients caused many problems for these children and their parents. Those parents who still received AFDC benefits which helped them support their children were also having a difficult time surviving because of the exceptionally low assistance levels. While it is undoubtedly true that problems in the economy also were instrumental in the increased demands for help of all kinds, the changes in the AFDC program cannot be dismissed, since evidence of their negative impact have been documented by Child Watch interviews and official statistics.

CHAPTER TWO

CHILD CARE

A virtual revolution has taken place in the working patterns of women in the United States.

> Between 1940 and 1980, the percentage of women in the work force with children under 18 rose from 8.6% to 57%.*
>
> Large numbers of mothers with young children are in the work force today - 42% of those with children under three and 54% of those with children aged three to five.**

This has made a significant change in the lives of children.

> In 1981, 45% of all children under the age of six lived in either a one- or two-parent home where all parents were working.*
>
> It is predicted that by 1990, at least 50% of all pre-school children and 60% of all school-aged children will have mothers who work outside the home.**

As a result of these trends and the concurrent decline in support systems (such as extended families and close-knit communities), the need for child care has dramatically increased. However, organized child care has not kept up with the demand. Reports of the Department of Health and Human Services (HHS), issued in 1980-1981, indicate that there are only 6.1 million child care slots for 22 million children under the age of 14 whose mothers work outside the home - supplying only 28% of the spaces which are needed.***

While child care is a pressing concern for all families, it is especially critical for one-parent families, which are predominantly headed by women. As already indicated in the Introduction, half of all children living in households headed by women were in poverty in 1981. These children are particularly dependent on child care arrangements that are affordable if their mothers enter the work force.

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*Bureau of Labor Statistics.

**Children's Defense Fund.

***Figures from these studies differ from those of the Census Bureau. One explanation extended by Nicky Gonzalez and Edith Treviso in Youth Law News, May-June, 1983, is that information given to the census may be incorrect because of the fear of the respondents that social service agencies may intervene.

Several studies have estimated that one in every five or six unemployed women is at home specifically because she cannot make suitable child care arrangements.[1] Therefore, attempts to increase the self sufficiency of low-income families must address the lack of available and affordable child care arrangements. A study conducted by the Community Service of New York underscored the need for public subsidies in child care if low-income families are to be helped to become and remain self-sufficient. The loss of such care to the working poor often forces them to make difficult choices: between care which may be substandard, unlicensed or unsupervised; leaving children home alone ("latchkey children"); or giving up jobs in order to stay home and supervise children.[2]

Although the need is undeniable, recent federal budget cuts have reduced the funding for child care facilities. The Omnibus Budget Reconciliation Act of 1981 (OBRA) cut support to two major programs providing direct federal support for child care - the Title XX Social Services Program and the Child Care Food Program. Changes in other programs such as Aid to Families with Dependent Children (AFDC) and the Comprehensive Employment and Training Act (CETA) have also negatively affected the accessibility and quality of child care, especially for poor children. (Explanations of programs and changes in federal funding can be found in the Appendix.)

NEW JERSEY: RESULTS OF OBRA CHANGES

Title XX

Title XX, providing a wide range of services to low-income people, was incorporated into a Block Grant and total funding was reduced in 1981. In New Jersey, the most immediate consequence was a 21% cut in federal funds, from $97 million in FY1981 to $77 million in FY1982.* Although the provision of a child care subsidy is no longer required by the federal government, New Jersey has maintained its former practice of allocating the largest proportion of Title XX funds to child care.

In both 1981 and 1982, approximately 25% of Title XX money was used for subsidized child care. However, since the Title XX allocation had been reduced in 1982, there were fewer dollars spent overall. In 1982, there was a reduction of 7.7% in total state allocations to all types of subsidized child care. In 1983, a small portion of the funding was restored, but there was still a reduction of 7% from the 1981 level.**

Those states which had instituted reform in their child welfare services - such as semi-annual reviews of children in foster care and inventories of all children under supervision - were eligible for supplementary funding under Title IV-B. New Jersey was one of several states that were able to use these funds to offset the federal Title XX cuts. However, the total sum available in this fashion was relatively little - only about $6 million.

Child care reimbursed by Title XX money is provided in a number of ways: by DYFS directly in its own centers primarily to abused and neglected children;*** contracts between DYFS and local centers providing for a certain number of child care slots or less often for specific children; individual child care workers in family homes.

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*An additional $5 million was allocated to New Jersey as a result of the Jobs Bill.

**Child care funding for all subsidized child care in New Jersey, from all sources: 1981: $38,431,984; 1982: $35,510,532; 1983: $35,763,936.

***This subject will be addressed in the Child Welfare section.

Eligiblity to individual children for child care subsidies under Title XX has not changed. Families with an income up to 80% of the state's median still qualify. In the past, however, these figures were adjusted annually. Since 1980, this practice has been discontinued and the eligibility levels frozen, so that they presently reflect something under 80% due to the inflation. This is pertinent to the comments from centers regarding clients who received a cost-of-living increase and were dropped from Title XX centers.

In addition, sliding-scale fees have been instituted in Title XX centers based on income and family size. Thus, families are being asked to supplement Title XX subsidies with money of their own. Information from centers in the Consequences section will describe how these fee schedules are being accepted and evaluated by clients and providers.

The Child Care Food Program

In FY1982, as a result of OBRA, the overall federal funding for the Child Care Food Program was cut by 30%. Federal reimbursement rates were lowered by 10% and subsidies were cut back in the number of meals reimbursed. Additional changes in the program limited the age eligibility of children and stopped reimbursement for food storage and food preparation equipment.

As the reader will see in the Consequences section, individual centers reported that original cuts in food allotments were eased somewhat in the last part of 1982. This was the result of an increase in the Congressional funding which restored a goodly portion of the initial federal cut.* Information from providers indicates that New Jersey centers are reimbursed on a "blended" rate - the average based on the total income makeup of the children in a program. The number of meals to be paid is computed on the basis of the actual number of meals served, not on the number of children enrolled in a program.

Additional sources have indicated that the restriction on amount of food served has not badly affected most programs, since very often the children had not been able to consume what had been provided. As the reader will see in the Consequences section, this was not the opinion of each interviewee.

Other Programs

Due to the patchwork nature of federal support for child care, there are a number of other programs that have affected the availability and quality of this essential service. These include the AFDC program, the Public Service Employment component of the CETA program, and the Head Start Program. Changes in each of these have been felt in the child care community.

Before the Omnibus Reconciliation Act, working AFDC recipients could deduct work-related child care expenses before the size of the AFDC grant was determined. Now, however, only $160 per month, per child, can be deducted (approximately $35.50 per week). In addition, the work incentive measure has been sharply constricted. As a result, many working poor families have lost or face the possibility of losing their eligibility for AFDC benefits including subsidized child care. A family in this predicament often has very few choices: to continue working and search for cheaper and, most likely, lower quality child care, or to quit working and return to AFDC in order to care for their children themselves. The third choice is to leave the child home alone while working.

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*See Appendix for details.

The Public Service Employment component of the CETA program was eliminated by OBRA. It had been used by child care centers to employ staff in a variety of capacities, ranging from maintenance jobs to classroom aides. Child Watch interviews help give insight into the extent to which this cadre of workers filled important positions and made wide-ranging contributions to the child care industry.

Head Start, included in the Administration's "Safety Net," was in the enviable position of seeing funding increase 10% in FY1982. However, the past few years had been marked by cuts in the program, in reaction to budget constraints. Full-day programs have declined from about one-third in 1972 to about 15% in 1979. Programs have reduced hours per day and weeks per year. Teachers receive very low salaries (average under $7,000 per year), class size and the staff-child ratio have increased. Transportation, because of costs, was curtailed with negative effects in rural areas. Cuts in other programs - the food program and CETA - have eroded Head Start's ability to provide quality services. (See Appendix for additional details.) Many of these issues have been discussed by respondents and are addressed in the Consequences section.

Other Statewide Changes

Child care centers in New Jersey are required to be licensed by the Division of Youth and Family Services. By the end of 1982, some 1,500 centers were licensed, with approximately 25 applications pending. There had been fear that, with the dropping of standards on the federal level because of OBRA, the state would follow suit. However, in March, 1983, licensing was expanded to include infants and toddlers. The number of state workers charged with monitoring has not kept up with the added number of licensed centers, however. To date the state does not have statutory authority to license family day care homes.

CONSEQUENCES

1. Above all, the most important finding is the inability of existing child care facilities to fill the pressing need. There is a need for additional day care services that goes beyond what has been offered in the past. Each referral service interviewed reported increasing number of telephone calls asking for affordable day care. The following examples emphasize the problem:

   - A respondent from Monmouth County said that many children are left with older brothers or sisters. Often this keeps the older children from attending school.

   - In one young family in Mercer County, the husband had been unemployed for a year. Just when the benefits ran out, the mother discovered she was pregnant again and left the home. The husband, who receives some welfare benefits, takes his infant daughter of seven months with him on job interviews because there is no child care available. Meanwhile, he wonders what he will do with the child if he does find a job.

2. The 21% reduction in federal Title XX funds to New Jersey in the FY1982 budget was not felt uniformly by all centers in the state. Although the state had attempted to make up the loss of federal funds, full compensation was not reached.

   In the first round of interviews, most centers anticipated funding cuts. In the second round, a third of the centers (10 of 29) had actually received funding cuts. These ranged from 2% to 27%. Many of these centers were pleasantly surprised when the reductions were less than expected. Most of the centers in our study which had been cut were located in Essex and Union, 5 of 7 in Essex and all 4 in Union. (There were no Title XX centers interviewed in Cape May and Hunterdon.) Only one center reported that all Title XX funding had been lost.

   However, all the centers that had not been cut indicated that Title XX funding had not been increased in several years. Due to inflation, this has become a de facto cut. Overall, it had affected all areas of programming - outside educational activities, transportation, supplies, summer camp, after-school programs - although not each center had responded in each area.

3. While the federal requirement for state matching funds has been lifted in Title XX, New Jersey continues to expect, as a matter of policy, local financial participation. The following comments are typical of many other counties:

   . A respondent from the United Way reported that Union County lost $280,000 in federal funds for child care in FY1983, of which the state was able to compensate $220,000. This respondent added that the state expects local and private funding sources to make up for this $60,000 shortfall in government monies. He added that United Way had increased its child care contribution but could not add more, as it is only one of the areas in which there is commitment.

   . An advocate remarked that poor counties were doubly jeopardized by this policy, for they had few resources and a large poor population in need of child care services.

   An advocate reports the fact that the southern counties have traditionally offered little in child care, specifically because of the dearth of local matching funds. When federal money had been available in the past, it had not been used because of this. In Cape May County, the Child Watch analysis brought out the fact that there is a severe lack of services, even though an assessment three years before had showed this to be an important county need. The county had made a decision to give priority to the elderly and disabled. In so doing, the interests and needs of children had not yet been addressed.

   . 1980 census data for Ocean City showed that 25% of the households with children are headed by women with no husband present. Forty percent of all women with children under six and 60% of women with older children were in the labor force. Furthermore, of families living beneath the poverty level, almost 80% were headed by women.* While these facts emphasized the necessity to provide affordable child care, interviews showed that no centers providing Title XX subsidies operated in Ocean City.

4. In order to supplement the losses in Title XX funds, New Jersey implemented a sliding-scale fee based on the income and family size of Title XX participants. (See Appendix) As a result, poor families who were struggling with cutbacks in other areas of basic needs, such as food stamps and Medicaid, were forced to add child care fees to their family budget. Although relatively minimal (from $2 to $18 a week), reports from the centers indicated that children were cut because families could not afford to pay.

   Unfortunately, centers did not uniformly report on this issue. However, most of the reports which were given indicating that this had been a problem came from Essex, Mercer, Union and, above all, Monmouth. (See the end of the section for comments on the Monmouth situation.)

   Representative of the comments that were made are these anecdotes:

   - The director of a Newark child care center reported that children have had to leave the program because the parents could not afford the fees.
   - At a center in Montclair, families who could not afford the new fee system were forced to seek alternatives. As a result many children were being left unattended at home. This same center reported that their fee collection was only about 25%.
   - The Monmouth County Day Care Center reported that single mothers who needed day care the most for their children were finding it very difficult to keep up with fee payments.

Many centers reported seeking other sources of funding in order to keep children who otherwise could not afford to stay in their programs.

- Day Nurseries, Inc. in Montclair received United Way money to maintain children whose families could not pay.
- A child care center in Bergen County reported that they have been able to raise extra money through strong community support to carry children whose parents cannot afford the fees. In 1982 they raised $25,000 for this purpose. This year they need $30,000. The parents of these children repay the center through volunteer work and fees on a sliding scale.

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*The fact that the ratio of children under six to the elderly is 1:4 may be cited to justify the present pattern. However, the need of the child population is demonstrably pressing, and some sharing of resources appears to be in order.

- It was reported that a majority of children at the Monmouth Day Care Center are receiving some form of scholarship aid. As long as a parent makes a reasonable attempt to keep his/her account current, they will do everything possible to keep the child there. The center reported having $75,000 in supplementary funds, a large part of which went to scholarship aid in 1981-1982.

- The Mount Carmel Guild Day Care Center in Trenton has a built-in system to try to help parents who need assistance. Even so, they have had to drop a few children for nonpayment of fees.

5. Families with incomes on the borderline of the Title XX eligibility appeared to have great difficulty securing affordable day care. The eligibility level for Title XX is 80% of the median income in the state. As already indicated, eligibility levels have not been revised since 1980, resulting in the probability of a lower eligibility level having become the standard.

According to DYFS, the income limit for a family of four is $19,200.* State regulations mandate an evaluation every six months to redetermine eligibility. Many centers reported having to drop children because parents had received cost-of-living increases. If the family's income is but one dollar over the eligibility limit, the family cannot receive Title XX supplements. Most centers that reported dropping children from their program did so for this reason.

The result: a family that previously paid $18 per child each week (the highest Title XX fee) would have to pay the full cost of child care which is on the average $55 a week.

The following example describes two cases of families that could not afford the unsubsidized costs and had to find alternatives:

- A day care center in Union reported having to drop families from their program. In one case, the child was left in the care of an elderly person.** In another, the parent was still looking for a babysitter at the time of reporting.

Other examples of the problem:

- The director of a Newark day care center reported that parents determined ineligible for subsidized child care make arrangements with neighbors or friends. Some rely on extended family members and others leave their jobs and depend on welfare. She stated that their options are limited to less-than-adequate forms of child care.

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*Reports from various centers on the Title XX income eligibility levels are mixed, with some claiming much lower figures (i.e., $17,000 for a family of four). This may indicate confusion as to the true cap set by DYFS. As a result, families who were actually eligible may have been denied Title XX subsidized child care.

**This respondent as well as others interviewed expressed concern over the use of elderly people as babysitters. They indicated that a child in this situation is not sufficiently stimulated. A case was related involving a four-year old boy who had been cared for by an elderly sitter who kept him watching television all day. When he came to the child care center he could not keep up with the three year old group.

- A Monmouth County day care center director reported that parents (usually single mothers) who are no longer eligible for Title XX either quit work or leave the child with a neighbor, relative or alone. She added that they are more likely to quit their jobs and become dependent on welfare if they have more than one child.

- A respondent from a center in Elizabeth stated that parents desperate for child care turn to "an underground network" of low-cost, poor quality care that is not state or community-sanctioned. There have been cases of up to 16 children supervised by one adult. This worker feels that anything above six means inadequate supervision.

6. Cuts in Title XX have not only restricted the accessibility of child care but also the quality. Reports of staff and program reductions were received from every Child Watch county. The most serious issue seemed to be staffing problems.

   - The director of a Title XX day care center in Elizabeth reported she could no longer afford qualified staff. She also noted that the state has lowered staff educational requirements as well as staff training requirements.

   - Another director expressed her fear that she was operating on the safety borderline with only five regular teachers serving 60 pre-school children.

   - A director in Atlantic County mentioned her inability to give her staff raises. It was her feeling that due to low wages and the pressures of the job, quality child care workers will be harder and harder to find. Although this problem has always existed, it has been exacerbated by recent budget restrictions.

7. In addition, Title XX cuts have resulted in a drastic reduction of those few after-school programs which existed. The decision to reduce after-school care principally defined as recreation (as opposed to those programs where there was over-all child care with an after-school component) was made before 1980. No recent policy decisions appear to have been made. However, when plans were drawn up for deployment of Title XX funds, the high priority populations and programs were addressed. Since after-school recreational care was already identified as being of lesser priority, it received less of the available funding.

   Child Watch respondents in every county stressed that after-school child care was one of the most badly needed services in their communities. At the same time, many child care providers were reporting that they had to close or limit after-school programs when the Title XX funds were no longer available for this service.

- A child advocate from Bergen County reported that despite the obvious need for after-school care, an after-school program at the YMCA had to be closed due to lack of funds. More younger children are now home alone until their parents get in from work, and more older children are unsupervised "out in the streets."

- The Neighborhood Day Care Center in Essex County has been providing a much needed after-school program, but was cut 17% in this program alone.

- A Union County day care center which provided after-school care for a bilingual population of children had their program eliminated.

- One Monmouth County center had its after-school program reduced from 75 children to 45 because of cuts in AFDC. Some children who are no longer in the program go home alone now.

8. The cuts in food subsidies affected more than half of the child care centers interviewed. In the second round of interviewing, however, the deepest cuts had been eased.

Previous requirements had been for two meals and two snacks during a full day. Now, two meals and one snack are reimbursed. Funds are to be used for meals only, not for food storage and utensils. This separate funding item has been eliminated and is causing problems to small centers which have less flexibility in shifting money from one budget area to another.

In the first round of interviews, many centers told of various cost-cutting measures that they were employing in an attempt to keep within the reduced allocation. Many centers reported an inability to maintain the quality of the meals they served. Few such complaints were voiced in the second round since some funding had been restored. In some instances, alternate care programs (such as after-school) were seriously affected by reductions and new restrictions in this program.

- One child care center suffered a 30% reduction in food funds (approximately $15,000). They are still expected to serve the same number of children. In order to ensure that the children are fed, this center has had to fall behind in bill payments.

- One Mercer County child care center reported that due to cuts, breakfast is now fruit, toast and milk. At the same time that the quantity of food they can serve must be reduced, "the children are so hungry they eat whatever is given to them."

- The Newark Tenants Council after-school program which provided one meal a day to 2,000 needy children was completely cut.

- The director of one Union County day care center reported that, as a result of an almost 30% cut in food funds, they had to serve more canned foods, rather than the fresh produce and meat they had served previously. She observed that the higher sodium content in these canned foods appears to have caused greater hypertension among the children.

- One of the mothers interviewed reported that, since the summer program was cut in Lambertville, many children whose parents work are going without meals in the summer.

9. Those homes which officially provide family day care have been hard hit by the same budget cuts as other Title XX funded centers, particularly in the Child Care Food Program. These homes, which are required to provide one full meal plus a snack for each child, are reimbursed at only $22 a week per child by Title XX or Title IV-A payments (as opposed to $40 a week in a child care center). They receive $.21 a day for food for each child. Several directors and coordinators interviewed observed that neither rate is nearly enough, and makes these home programs particularly susceptible to budget cuts.

   Loss of CETA workers has also impacted on these family day care networks, since many of the umbrella agencies sponsoring the homes were dependent on CETA workers to provide training and monitoring of these programs.

10. Changes in AFDC eligibility and benefit regulations have severely limited access to child care for poor and working poor families. There has been an increase in the number of parents seeking out free or inexpensive child care programs (such as Head Start). Those interviewed also observed that more and more children are being left with neighbors and family (often older brothers and sisters) or are being left home alone until their parents return because of the discontinuance of the benefit. Several people noted that many parents, faced with the loss of child care, leave their jobs in order to re-qualify for AFDC (and child care) benefits.

    - One Bergen County child care center reports that the new AFDC income disregard policies, rather than forcing needy parents to search for cheaper child care, has actually forced many to disregard child care altogether. Many more children are left home alone or in other inappropriate care situations.

    - In Monmouth County, one child care center observed that cuts in AFDC particularly impacted the 8-10 year old children in the after-school program. Many of these children had to leave the program, since their parents could not afford the fee.

- One family had to remove both of their children from a center because of financial restrictions. One day, after a fight between the two children who were now left home alone, one of the children came to the center to wait for her mother, because she had nowhere else to go.

- In Essex County, a child care provider reports that several families who lost their AFDC eligibility are either paying much more (emphasis hers) for child care or are leaving their children unattended at home if neighbors can't watch them. A number of the families who lost AFDC benefits cannot afford the sliding-scale fee.

- A Bergen County advocate noted that many families who lost AFDC benefits are economically just on the borderline of eligibility. They are very low-income families who must now look at the cost of child care before they look at the quality.*

11. Loss of CETA workers, due to eliminating the Public Service Employment component of CETA, was a heavy blow to already-struggling child care centers. It was reported that the absence of these employees very often jeopardized the ability of the providers to maintain a quality child care program. Almost every child care center and Head Start program had lost CETA workers, and most of them valued the workers highly. Private centers seemed just about the only ones not affected.

    - The Monmouth County 4C's (Community Coordinated Child Care) program lost ten CETA workers who were providing field services to Family Day Care homes. They helped to both monitor and train those who are caring for groups of children in their homes. The CETA workers could not be replaced. One part-time person is now staffing the 4C's programs, and is unable to continue these services for Family Day Care providers.

    - Many of the Union County child care providers stated that the loss of CETA employees, in conjunction with reduction of regular staff due to budget cuts, had jeopardized the quality of the programs they were able to offer the children. In most cases, the child/staff ratio increased as a result of loss of CETA personnel. A few of the centers recruited parents to replace CETA people, but a majority of centers were unable to find reliable volunteers to compensate for lost CETA staff.

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*See Appendix for Scale.

- A Bergen County advocate in a child care agency reported that they once had many CETA funded employees. When funds for the program were cut, the staff "pooled jobs" so they could keep on a few of the CETA workers. The family worker was kept for a year until the agency could no longer afford to pay her. This person strongly emphasized that "...cutting CETA was a sin..."
- A Union County Community Action organization lost several bilingual workers when CETA was cut. They were unable to replace them.

12. Child Watch interviews with Head Start programs indicated that, although the 1981 budget cuts had little direct impact on the program, there had been indirect effects. They were expected to pay for services that had formerly been given free or in-kind by other agencies which could no longer afford to be generous. Changes in the food program regulations touched them as it had Title XX centers. A number complained of the difficulty of getting food storage equipment. Some programs found it necessary to absorb the costs of providing "extra" food for hungry children, since they served an especially needy population.

    In many cases, cuts in other federal programs, particularly CETA, limited the Head Starts that had used CETA employees as educational aides.

    - A Trenton Head Start worker observed that they have experienced a reduction in direct services from CAP (Community Action Program) agencies because the agencies themselves lost funding. Bills for things that were once provided as in-kind contributions are now being presented for payment. This leaves less money for the children's program.
    - In Essex County, a Head Start program reported that because of cuts in food equipment assistance, they could not purchase items for preparation and storage, such as a refrigerator. (Note: Those in the field have informed us that in large programs there is more flexibility so that these items can still be acquired. However, in small centers, such difficulties undoubtedly exist.)
    - The Newark Pre-School Council reported that they lost 65 CETA persons who worked as classroom aides and in maintenance. They were unable to replace them.

13. Several workers in Head Start programs were also very concerned about the effect of Medicaid cuts and eligibility changes on the children with whom they worked.

    - One Atlantic County director observed that whereas 2/3 of their over 540 children had been covered by Medicaid before OBRA, only half were eligible following the cuts. Costs for medical services must now be assumed from their own budget.

- A number of Head Start mothers from Hunterdon County who were interviewed in a group reported that they quit low-paying jobs because the few extra dollars earned could not compensate for the loss of medical care. In addition, they were concerned that free or low-cost dental care for pre-schoolers does not exist in Hunterdon County. (It is available to their children as members of Head Start, but the mothers were making a general comment.) The mothers went on to say that by the time these children get to a grade school clinic, their dental problems have worsened.

- A Monmouth County Head Start respondent commented that greater problems present themselves because of cutbacks in Medicaid and S.S.I. (Supplemental Security Income). This center believes that the children with whom they work (and their families) will be negatively affected in terms of physical and mental health.

14. All Head Start programs reported waiting lists, many of them very long. A few of them stated that these lists had increased because of limits in AFDC eligibility and cuts in other child care-related programs. Since many parents could no longer find affordable child care, they were attempting to enroll their children in the free Head Start program.

- The Newark Pre-School Council reported that their waiting list was longer because parents were unable to afford child care due to new sliding scale fees and limitation of AFDC eligibility. They noted that they had a waiting list of about 500 children.

Head Start providers also reported that working parents primarily depended on family members or neighbors to provide child care after Head Start hours. Interviews indicated a need for additional Head Start programs, but they were unable to expand.

- Three children were receiving free child care while their mother was enrolled in a government job search program. When training funds were cut, the children lost the free child care. The mother was able to enroll two of her children in a Head Start program, but there was no affordable child care available for the third child or for the other two in the afternoon. She admitted that at times she has been forced to leave her children with people whom she does not really trust.

15. Infant care was seen by an overwhelming majority of workers as the greatest child care need. Three items were listed when workers addressed the problem of need: after school care (which has already been discussed); infant care; and child care facilities, as well as transportation, for handicapped children. While the latter was mentioned by only a handful of individuals, the issue of infant care was discussed by over 90% of all respondents. It was acknowledged to be costly and labor-intensive, but it was also recognized as most urgent.

16. A number of practices and problems surfaced in Monmouth County which appeared to be unique among the interviewed counties. In an attempt to get a balanced picture, interviews were undertaken with the Board of Social Services in addition to providers and consumers. The findings are presented here:

    - Monmouth County appears to be one of the few counties in New Jersey using a system under Title IV-A of direct child care payment to AFDC families. As regulated by federal guidelines, a cash payment for child care is given directly to the parent, who is then responsible for paying the provider. Through this system, Monmouth County has been able to increase the number of Title XX slots available since many children eligible for Title XX care are also eligible for assistance under Title IV-A (AFDC). Using the latter frees Title XX slots that can be given to children who are not eligible for AFDC funds.

    - According to many of the child care centers interviewed, there have been problems with the IV-A system of reimbursement. For example, since the average cost of child care in Monmouth County is $50-$55 per child per week, the Title IV-A cap of $160 per child per month only covers approximately three weeks out of the month. This has forced some centers to limit Title IV-A children to three days (30 hours) per week. The Monmouth County Board of Social Services insists that an AFDC recipient can apply for a Title XX slot and thus receive more hours of care if it is determined that the need for daily attendance exists. However, interviews with child care workers indicate that this is not a widely publicized piece of information.

    - Another apparent drawback of this child care reimbursement system is the federal regulation providing for direct reimbursement to the parents. Child care centers that accepted Title IV-A recipients often complained that some parents sent their children every day but did not keep up with the payments. Although non-payment was the only reason a child was ever dropped from a publicly-funded day care center, this had occurred in each Title XX center interviewed in Monmouth.

    - This county is also the only one surveyed that indicated that the recently implemented sliding-scale fees are being paid to the County Board of Social Services rather than going directly to the child care providers. We have been told that this money is being utilized by the MBSS to supplement various Title XX programs.

CONCLUSION

While New Jersey had continued to support child care through state Title XX allocations, it has not been able to completely compensate for the loss of federal funds by increases in its own funding and from local and private sources. Child care has been reported to be inequitably distributed among the counties, with those having fewer resources and a large poor population offering very little to a needy population. As a result of the lack of affordable child care, children are increasingly being left home alone or with inadequate supervision. Particularly affected are low-income families where there is no margin of income that allows parents to find palatable alternatives. Child care interviews stressed this fact and the need for particular types of care - for infants and children during after-school hours. Many of the limited number of after-school programs that existed before OBRA went into effect were eliminated or reduced drastically when the amount of Title XX funding was reduced.

Cuts in the Child Care Food Program negatively affected almost all the centers surveyed. Loss of CETA workers was also reported to have caused multiple problems when they were eliminated in almost every program where they were employed. In most programs they made important contributions and centers have been unable to fill staff positions they formerly held.

Some children have been removed from child care, and other families have had to cut back on other needs because of the new mandatory sliding-scale fee for Title XX child care. The fee, although small, is another burden on already precarious family budgets. Also seriously affected are the children from homes where the income falls just above the Title XX guidelines. Income eligibility levels have not been updated in three years, meaning that the actual eligibility guidelines are less than those that are officially proclaimed.

CHAPTER THREE

CHILD HEALTH

In the United States, despite a vast network of health programs and providers, millions of children are growing up with poor health and serious dental problems. Each year thousands of pregnant low-income women are going without adequate care and nourishment, and delivering babies who are underweight, malnorished or otherwise unnecessarily impaired.

National data points out the inadequacy of health services for low-income children:[1]

- One out of every 80 infants born in the United States dies, a rate higher than in 15 other countries. As recently as 1980, minority infants were twice as likely to die in the first year of life as non-minority children.
- As recently as 1976, 1.3 million American children under 17 had never visited a physician. One out of every three children under the age of 17 (more than 18 million) had never been to a dentist.
- Some 34% of the nation's poorest children (4.2 million) have no health insurance. Another 41% are insured for only part of each year through Medicaid or private insurance.
- Low-income children suffer more illness and are more at risk of dying young than other children. A recent Maine study showed that children from low-income families die at a rate nearly seven times that of other children.[2]

Services to pregnant mothers continue to be insufficient:

- A minority woman is three times as likely to die in childbirth as a non-minority woman.
- More than one in 20 pregnant women in this country receive late prenatal care or none at all. Over one in 11 black pregnant women receive late or no prenatal care.

The need for adequate health care and preventive health services is well-documented. Moreover, in the present economic climate, the number of children and mothers who are not receiving these services continues to rise. However, programs such as Medicaid, Maternal and Child Health, and Community Health Centers, which are vital components in the provision of health services to poor children, have all been threatened by recent federal budget cuts.

NEW JERSEY: CHILD HEALTH PROGRAMS AND OBRA CHANGES

In New Jersey, large numbers of low-income families have traditionally had a difficult time getting medical care. Although a majority of the states have instituted a medically needy program, New Jersey is one of 22 which does not have a program of this sort. Help with medical care through Medicaid, a public insurance program covering both community and hospital needs, is given only to individuals who receive cash assistance from the AFDC and Supplementary Security Insurance (SSI) Programs.* Unless New Jersey families are poor enough to qualify for AFDC cash benefits (or handicapped enough to be receiving SSI benefits), there is no public insurance available to help them pay their medical bills.

As can be seen by looking at the Appendix, eligibility for AFDC is very restrictive. A sizeable group of families with low incomes cannot qualify because their earnings are too high, and yet they still fall either below or slightly above the poverty line. This group is without public medical insurance and yet they cannot pay for regular medical care. This is the one most important health issues facing the low-income children of New Jersey. There is a group of children from low-income families, most probably of substantial numbers but never counted, who are not receiving regular medical care because of a lack of a medically needy program.

The state has made attempts to provide for this uninsured group of poor citizens. There are clinics charging low or sliding-scale fees in many areas of the state, federally funded neighborhood health centers for medically underserved areas and hospitals providing care for indigent patients under Hill-Burton guidelines (see Appendix). However, limited accessibility, gaps in geographic distribution and ceilings on the amount of care that must be given have all contributed to an uneven and erratic provision of services. Public knowledge of the availability of medical resources for low-income patients has been notably lacking.

State Medicaid Program

As mentioned above, AFDC and SSI recipients are eligible for the Medicaid program which pays for care given both within the community and the hospital. New Jersey's Medicaid program receives matching funds from the federal government on a 50/50 basis. Since the state complied with cost-cutting conditions set out by OBRA in 1981, and had a high unemployment rate, the percentage of federal matching funds in FY1982 was not reduced from pre-1981 levels. (There is no set dollar appropriation from the federal government; funding is set in conformance with state spending levels. Hence, savings depend on state policy.)

In New Jersey, more than 18,500 fewer children utilized the Medicaid program after the OBRA regulations became effective. However, state appropriations for the Medicaid program did not go down. This results from the fact that, although the largest population using Medicaid(78%) is AFDC, they receive only 23% of the funds. Most of the funds for Medicaid (77%) are spent on SSI recipients who reside in nursing homes.

The state appropriation for 1982 was $403.7 million, and the 1983 appropriation is $433.6 million. Therefore, the total number of dollars estimated to be sent will continue to rise although the size of the population covered has declined. Note that this increase in funds will not benefit mothers and children.

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*A few other categories exist but they are of minor proportions.

No co-payment is required in New Jersey from Medicaid-covered patients who seek care. Programs receiving reimbursement have not been officially reduced. However, reimbursement rates have not been adjusted for a decade. (While they have been slightly raised in some categories, they have been lowered in others.)

Medicaid Issues and State Responses

It has long been known by health care workers that it is difficult to secure private physicians for Medicaid patients. Those with a Medicaid caseload already will often refuse to add others. The reason appears to be primarily the inadequate rate of reimbursement. Because of this lack of physicians, patients have difficulty in locating doctors who participate in the program. Preventive care is generally lacking and there is inappropriate use of hospital emergency rooms for non-emergency conditions. Consequently, a new initiative is being undertaken in an effort to enroll more physicians.

In 1982, with the help of a four-year grant from the federal government, New Jersey instituted a Personal Physician Plan in several northern counties. Aimed at increasing the number of private physicians who will accept Medicaid clients, the plan reimburses doctors on a monthly per capita basis for Medicaid recipients who are enrolled as regular patients. In return, the physician agrees to offer 24-hour coverage. Presently, doctors are reimbursed only for specific services rendered and must apply for reimbursement each time a service is provided. The agency hopes to overcome some of the private-sector difficulties with these new procedures.

Another new initiative is the institution of a skilled nursing facility for children located in Camden County. This facility, which will accommodate about 60 children when fully opened, will be able to treat children in New Jersey rather than in out-of-state medical settings as has been the practice in the past.*

State Title V: Maternal and Child Health Block Grant (MCH)

The 1981 OBRA regulations, which consolidated several categorical child health programs into one Block Grant, caused difficulties in the state child health services programs. In FY1982, there was an across-the-board cut of about 20% in all programs under the MCH Block Grant. Later that year, supplemental funds were negotiated at the state level which raised funding to about 88 or 90% of the original level.

FY1983 funds for MCH were also lower than FY1981 funding. However, the recently legislated federal Jobs Bill raised the funding level close to, or slightly higher than, the initial FY1981 funding.

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*Because of new federal relaxations, it is now possible for an SSI child in hospital to be discharged home to be cared for by family and continue to receive Medicaid benefits even if family income is over AFDC levels. This is contingent on the cost of home care being cheaper. However, with the development of the Camden nursing home for children, a new situation has emerged. In the last request for home discharge of a child, Medicaid wanted to transfer the child to the nursing home although the family lived in Bergen County, miles to the north. The reason was cost, which would be lower in Camden.

Most of the community agencies providing health services for children through this Block Grant have sustained real cuts in funding, despite the increase on the state level. One reason for this is that costs associated with operating and administering the programs on the state level have increased substantially since they were consolidated into a Block Grant.* Moreover, the salaries of the majority of the state personnel working for the Division of Maternal and Child Health are paid with federal funds and are automatically deducted from the Block Grant. Most real cuts in the MCH program have been realized by the community agencies.

Although many services have been cut back or limited, the special program for SSI crippled children was particularly hard hit. The state is attempting to salvage as much of this program as possible by maintaining an innovative case management approach through contracts with county governments, but many needed services for these multiply-handicapped children are no longer being provided because of budget cuts.

Through the OBRA changes, much greater discretion has been afforded to the states in the administration and spending of MCH funds. Federally mandated requirements, such as state matching funds and broad guidelines as to how MCH funds can be spent, continue to provide positive, if limited, protection to these important services.

CONSEQUENCES

1. Many thousands of poor children in the state lost their health benefits in 1981 and 1982.

   From October 1, 1981 to September 30, 1982, over 18,500 fewer children in New Jersey received Medicaid benefits than in the comparable period the year before. This reduction in rolls came at a time of great joblessness. As unemployment benefits ran out, many families that had never received assistance before were forced onto AFDC, and therefore, the Medicaid rolls. Since the program was simultaneously enrolling these new families while cutting others (primarily the "working poor"), the statistic most probably understates the number of children who actually lost medical benefits.

   Many workers in the health care field noted the cuts. The Child Watch project interviewed health care workers in seven counties,** and in five of them (Essex, Union, Monmouth, Atlantic and Mercer) remarks about the large number of families affected were given. In Atlantic County, providers serving low-income people in various communities stated that "many" to 30% of their patients had lost Medicaid coverage. In Union County, the clinic fee at one hospital was reduced to $2 because of the magnitude of this problem. In Essex County, 10% of the patients known to the Social Work Department at one hospital had either lost or been threatened with loss of Medicaid cards. Consequently, patients had begun making extensive use of the clinic ($3.50 lowest fee) which had experienced a 25% rise in utilization.

2. In New Jersey, children (and adults) who lost AFDC status and therefore cash benefits had no alternate way of remaining in the Medicaid program or receiving help with medical care.

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*Some estimates indicate that these costs have risen 23-28%.

**No interviews of health care providers were undertaken in Cape May County.

New Jersey is one of 22 states where Medicaid coverage is intimately tied to being in the "categorically needy" group (i.e., receiving AFDC). As stated before, the state does not recognize or offer medical health coverage to those who are needy but not receiving cash benefits. (See Appendix for chart of income eligibility for AFDC.)

For the 18 to 21 year-olds who were discontinued and no longer recognized as dependent children, Medicaid Only is available. However, they must meet AFDC income and resource tests. (Unborn children can also receive Medicaid Only if their mothers are AFDC or SSI eligible.) For the vast majority of New Jersey children and their parents, however, termination of the AFDC benefit also meant the end of medical insurance under Medicaid. These case histories are typical of those heard in Child Watch interviews:

- A private physician in Hunterdon reported a case of an eight year-old patient with serious health problems requiring extensive, life-long care. The family (four children) received Medicaid until the father received a small raise which put them over the eligibility limit for partial AFDC benefits. When the child developed complications requiring even more expensive care, they re-applied for Medicaid but were refused. The family then brought the matter to court. However, there was no legal redress available since the father's income exceeded state criteria for AFDC. The judge promised, however, to make attempts to find other funding.

- A recently divorced mother of two living in Bergen County had a part-time job supplemented by AFDC. When her hours were increased for a small salary increment, her benefit was taken away. Now the family has no medical care and the children cannot attend day care because she cannot afford it.

- A public health officer in a northern county felt that Medicaid patients had no real problems getting services, but those cut from AFDC benefits with no form of insurance had nowhere to go for medical help.

- In Mercer County, although hospitals report "people have not been denied medical care," several interviewees indicated that the loss of Medicaid has been a factor negatively affecting the lives of families, especially the working poor. One respondent reported that some families have moved in with relatives because of the high medical costs, other have separated, with the husband moving elsewhere, and still others have given up jobs and gone back to the AFDC program in order to obtain Medicaid coverage.

- A community clinic in Plainfield, Union County, caring for a medically under-served population, described a number of situations of patients ineligible for Medicaid:

> One child, hyperactive and needing continuous medication, was not receiving it because his mother could not afford the full month's supply. When the condition of the child deteriorated and he began making trouble in school once more, the mother brought him to the clinic. Medical personnel began phoning drug companies, begging them to donate the other half-month's supply to the family. This clinic knows of families that cannot buy the number of pills which the doctor prescribed. They ask the physician to write the prescription for only three or four days and come back to have another one written when the medication runs out, if they can afford it. This might result in under-medicating; it also adds to the final price these poor families pay for medication since small units are more expensive to purchase.

- In Monmouth County, a private pediatrician who treats many Medicaid patients said that about 10% of his client load had lost coverage. This doctor continues to see these people, although their bills are adding up and there is little prospect of his being paid.

The special provision in OBRA which makes a step-parent or new spouse living in a household responsible for the care of all the children (regardless of whether the child has been legally adopted) has created considerable problems for many low-income families. In the past, Medicaid would continue for children who were not adopted.

- A five year-old in Mercer County who needs an eye operation has not received care because of lack of financial resources. He does not qualify for Medicaid because he has a stepfather who must now bear full responsibility for him. However, the man cannot get Blue Cross/Blue Shield to extend coverage to the boy because he has not been formally adopted.

3. Access to existing affordable medical care is often difficult or impossible for poor families because they lack knowledge of the services or they lack means of transportation to the health care facility. Often, low-income children without insurance (those cut from Medicaid and those who never had coverage) are without preventive out-patient care and are brought into health practitioners after an illness or injury has intensified in seriousness. Because of the fragmented nature of health care services which are not uniformly distributed throughout the state, many of the families do not know where to go to get affordable care.

Local health departments provide free or low-cost immunization and well-baby clinics as well as other services. However, programs vary from site to site, they are not comprehensive and they are not well known. Hospital clinics in underserved areas are affordable alternatives if they offer sliding-scale fees. However, they do not exist in every locality.

These anecdotes are typical of comments made to the interviewers:

- In Essex County, Newark Health Department personnel commented that many parents who have lost their Medicaid coverage do not seek alternate care, because they believe that there is no place where they can go without payment.
- While there are hospital clinics in Elizabeth and Newark with sliding-scales, other areas offer no such opportunities.
- Hunterdon Medical Center will give sliding-scale fees for x-ray, laboratory procedures, etc., but physicians need not adhere to any special fee guidelines. However, two satellite facilities - Phillips Barber Family Health Center and Delaware Valley Family Health Center - do provide health services on a sliding-scale basis. They emphasize that they serve anyone regardless of ability to pay, as long as the patients are willing to adhere to the center's rule of remaining under the care of one physician.
- In a large hospital in Monmouth County, the clinic charges according to a sliding scale. However, the fact that the fee is collected up front before care is given serves to deter some individuals who have no coverage whatsoever from seeking services when they need them. (In emergency situations, fees are collected after care has been rendered.)
- In Atlantic County, it was reported that many of those families who lost Medicaid coverage have begun using community clinics where $5 per visit is asked from those able to pay. However, a number of other health care professionals felt that families who lost Medicaid were not getting their health needs met. One private doctor felt that patients did not return after the first visit because they could not afford to pay another fee.
- A private physician in Union Township remarked that people without Medicaid coverage and lacking the ability to pay usually turn to Emergency Rooms in hospitals for care. But the care is episodic and of a crisis nature, not regular or preventive.
- Pediatric Units in hospitals in several counties reported that they are definitely seeing more minor problems that have escalated into crisis situations because treatment was not sought soon enough. An example of this was reported by a hospital which admitted a child with burns that had become infected. The mother had tried to treat the child at home at first because the husband was unemployed and she felt they could not afford the $65

Emergency Room fee. A local health department reported an increase in the number of children whose families were delaying medical care in this fashion because of a lack of finances.

- While an Essex home health/homemaker service acknowledged that many services for low-income families exist in urban Essex County, they commented that much "running around" is necessary in order to get care. "Before (the budget cuts) you could make one phone call and get assistance." Now, even when services exist, a certain degree of sophistication and knowledge of the system is necessary in order to make use of it. In addition, they noted that there were more services available in the past than at present.

- In Mercer County, it was stressed that there is a need for a mechanism to let people know that there are health services available for those who cannot pay and where/how to get help when it is necessary.

4. Increasingly, infants and children are being taken to local health departments for such items as free immunizations and well-baby checkups at the same time that allocations are diminishing and staff is being frozen.* Caseloads are increasing as families without Medicaid or available resources seek alternate ways to give care to their children. Of three health departments interviewed about their funding, two (Bergen and Essex localities) informed us that they had suffered reductions. In fact, in the Bergen County community where severe dental problems have been noted among children and adolescents, the dental program was eliminated altogether. These local public health departments had noticed the following needs of children in their communities:

   - In Bergen County, they reported on the poor dental condition of many county children, as well as poor nutrition and hunger. A serious lack of services for adolescents was also reported. Health problems affecting this population stem mainly from gaps in dental and nutritional care.

   - In Union County, respondents noted a lack of immunizations, increase in lead poisoning in Elizabeth, and many cases of childhood anemia.

   - In Essex County, respondents noted the severe dental problems of many school children.

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*Testimony presented before the N.J. Joint Appropriations Committee in 1983 by the chairman of Coalition for Public Health Priority Funding observed that community public health departments have been funded at approximately the same level since 1977. Nationwide, New Jersey ranks about 46 out of 50 states in the level of funding it appropriates for public health services.

- In Irvington, there are many older children inappropriately seeking full care from the Health Department which cannot meet their needs since budget restraints have limited eligibility for the well-baby clinic to those aged five and under.

5. Hospital personnel consistently assured Child Watch interviewers that no patient requiring either emergency or in-patient care is ever turned away. This is especially important in the case of individuals with no insurance and no ability to pay for care.

   Hospitals that receive Hill-Burton funds (federal funds given for renovation and building) have always been required to give in return a certain amount of free or low-cost in-patient indigent care. (See Appendix for complete explanation.) Many hospitals reported that they have given such care beyond their required limits, and that it has proven to be financially draining. A new reimbursement system, Diagnosis Related Groups (DRG), appears to be helping in this regard. (See Glossary) Many interviews with hospital personnel indicate that the DRG system has had an initial positive impact on the provision of indigent care. Unlike past systems, this one takes into account the cost of indigent care given by the hospital when computing reimbursement. The result is that the hospital is paid for such care, and costs are spread to all patients.* A hospital in Elizabeth commented that indigent care had almost bankrupted the facility the year before but DRG was presently helping it exist comfortably.

   In New Jersey, Hill-Burton funds are currently being used to fund out-patient clinics since DRG is used to set in-patient rates. There is some question as to whether the public is aware of this help. When hospitals agree to enter into Hill-Burton contracts, they pledge to post notices and otherwise make citizens aware of the availability of care for poor who cannot pay and are not insured. Child Watch interviews indicated that there was little public awareness of the availability of such help. There was some indication that hospital personnel in the Admitting Office or those investigating resources, were not always sensitive to the plight of the low-income population requiring such help.

6. New Jersey children who received Medicaid coverage are not assured of a private physician. Although approximately 78% of the people receiving Medicaid coverage in the state are AFDC-eligible children and their parents (usually mothers), only 23% of Medicaid reimbursements are spent on this group. Most Medicaid funds go to care of the aged and disabled in nursing homes and similar facilities. Although reimbursement rates for nursing home care have risen several times in the past decade, reimbursement fees to private physicians caring for families have remained relatively constant since 1970.

   For this reason, as Child Watch interviewers were told over and over again, very few private physicians will accept a Medicaid patient. Those with Medicaid patients already in their caseload often refuse to accept any more. Many hospital respondents reported that few staff physicians will take on Medicaid patients, and specialists will see them only in great emergencies.* Many children are denied important health care due to this situation.

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*There are other effects from the DRG system, which aims at holding hospital treatment days to a minimum, that have evoked much criticism from physicians and consumers as well.

. One doctor described a mechanism used by some Medicaid clients in an attempt to receive medical care from a physician. The patient will pay cash for the first visit to the private physician, in order to get accepted on the doctor's caseload. On the next visit, the patient will tell the doctor that they are newly enrolled in Medicaid and hope that the doctor does not reject them, since they have already begun treatment.

. A physician with a large Medicaid caseload in Monmouth County observed that diagnostic procedures which he felt needed to be utilized for the well-being of his patients would not be reimbursed by the limited Medicaid coverage.

. According to a pediatric dentist interviewed, Medicaid patients sometimes receive inferior dental care. He reported seeing children whose needs were not properly met by other dentists. He believes these dentists either ignored problems or overtreated them because the present Medicaid reimbursement schedule makes it more cost efficient in some cases. He provided an example of a child he saw recently. When he removed a stainless-steel crown, he discovered all that was needed was a filling.

7. Many other programs addressing special health problems of children and families received budget cutbacks and had to curtail their services.

. The Crippled Children's Program, formerly a specific program directly funded by the federal government and now incorporated in the MCH Block Grant, was severely cut. Though the state has endeavored to salvage certain aspects of this program, many special services designed for multiply-handicapped children have been cut.

> One respondent informed us that a means test now being used has resulted in eliminating the middle-class child from many of the services. (Note: this may be because of the increase in salaries; the means test has not been adjusted in five years.)

. Sudden Infant Death Program, which has received funding cuts, has had reductions in some program areas. Respondents reported that the number of follow-up visits to families made by visiting nurses through this program are now reduced.

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*Reports from Elizabeth General Hospital indicate that both private and staff pediatricians are willing to accept Medicaid patients and newborns when they go home from the hospital.

- Lead Poisoning Program, another former categorical program now included in the MCH Block grant, was reported to have suffered program reduction in many areas of the state due to budget cuts.*

  > The Lead Poisoning Program of Newark Health Department lost staff which severely limited their ability to provide follow-up care. The respondent also stated that their inability to provide transportation to the clinic was a major problem.

- Visiting nurses and homemaker services were curtailed because of a reduction in reimbursements from Medicaid and local welfare departments. A nursing service in Essex County reported that Blue Cross insurance will not cover the cost of homebound care for babies because they are not considered "homebound," since they are always at home.

- High-risk newborns who go home from the hospital are no longer receiving follow-up care from home health nurses because of funding restrictions, according to respondents from Hunterdon and Essex Counties.

8. Though innovative programming and public awareness efforts have resulted in more low-income women seeking prenatal care earlier in their pregnancy (at a time when health problems can be avoided through detection and treatment), there are still unresolved problems in providing early, effective treatment for poor pregnant women.

   - Health service providers in all the surveyed counties were very concerned about the prevalence of under-nourished pregnant women they were seeing. Anemia in the mothers and low birth weight in the infants was reported as being on the rise. Several hospitals noted an increase in the number of "failure to thrive" babies. All these factors were related to the explosion in teen-age pregnancies.

   - In Mercer County, Trenton health providers were very concerned about the infant mortality rate of 19.1, which is substantially higher than the state rate of 10.6. Respondents indicated that a task force is being set up to study the causes of this problem.

   - Women with high-risk pregnancies in suburban Essex County are often unable to afford transportation and child care costs involved when they are referred to a Newark clinic equipped to handle special cases. As a result, many receive no pre-natal care at all until they arrive at the local hospital's emergency room, ready to deliver.

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*Update: Many of the effects of the cuts have been reversed with the enactment of the Jobs Bill.

- All counties reported that there was an increasing need for services for pregnant adolescents and teen-agers. Providers in many county JINS shelters noted a marked increase in the number of young teenage girls who are pregnant when entering the shelter.

9. The poor health of many New Jersey children is a result of the lack of basic needs, such as food and shelter. Cuts in programs such as AFDC and WIC have exacerbated pre-existing conditions, further endangering the health and future of many of the state's children. Providers in every county surveyed mentioned that loss or reduction of AFDC grants and food stamps have been the causes of inadequate diets in many poor families.

- Malnutrition was reported as being a health problem by hospital staff and public health providers in Mercer, Essex, Bergen and Atlantic Counties.

- In Union County, anemia was reported to be an increasing problem among low-income pregnant women. This condition also affects the health of the new-born child.

- In Hunterdon County, some young, low-income pregnant women who were interviewed observed that they were aware of the proper diet they should be eating, but were unable to afford more expensive foods - especially meat.

- One Atlantic County hospital social worker reported that cutbacks in programs such as food stamps, WIC and Medicaid were major causes of increased health problems for children. She added that there has been a very significant increase in low birth weight and premature infants.

- The social service department in an Essex County hospital reported that getting food to patients of the hospital clinic was their greatest problem at this time.

- Visiting nurses reported that in some of the homes they serve, the refrigerator is always empty.

- Essex County hospitals reported an increase in frostbite cases in the winter of 1982. Many children in a low-income area of Union County had bronchial-respiratory problems.

- In Mercer County, many low-income new mothers live in substandard housing. Some are without any shelter at all. Many of the infants born to these mothers have a low birth weight and fail to thrive. In addition, respondents in this county noted that there has been an increasing number of low-income women (particularly adolescents) suffering from post-partum depression, sometimes severe enough to require institutionalization.

10. Child Watch interviews also indicated additional issues/problems relating to child health care in New Jersey:

A. Transportation to health care facilities is a major impediment to obtaining health care services for low-income families. These are a few examples:

- In Monmouth County, lack of transportation to both hospital clinics that were surveyed was reported to be a problem.

- Ambulances will not go into some public housing projects in Newark, leaving them without emergency medical transportation.

B. All counties surveyed indicated that teen-age pregnancy was a major issue. Many health providers were concerned about the resulting increase in low birth weight infants and the growing numbers of young parents lacking parenting skills and nutritional knowledge.

- In Bergen County, it was noted that children as young as 12 and 13 are now having babies. At the same time, the public nurse system and family counselling programs have been cut substantially.

- In Montclair, Essex County, pregnant teenagers are dropping out of school, and therefore cannot be identified so that their needs are met.

C. In four of seven counties surveyed, health care providers (often school nurses) noted the poor condition of low-income children's teeth. These counties are Bergen, Essex, Hunterdon and Union.

- In Hunterdon County, it was reported that the dental clinic will not accept Medicaid reimbursement. At this time freeholder funds are subsidizing dental care for poor children and adults. Should county funding be cut, however, these children would be very vulnerable.

CONCLUSION

The most important health care issue in New Jersey for low-income children is the lack of a medically needy program. Joining the estimated thousands of poor children who have never been insured are the thousands of children who lost their previous medical and dental coverage after the institution of OBRA. There were more than 18,000 fewer children utilizing Medicaid services after the legislation became effective.

The Medicaid program itself is beset with many difficulties, chief among which is a lack of participating doctors. Many physicians will not accept a child who is a Medicaid patient since current Medicaid reimbursement rates are too low to cover the actual cost of services.

From sources in four counties came reports of the poor dental condition of poor children. Providers in counties surveyed linked the cuts in AFDC and food stamps to the many cases of malnutrition and anemia being seen.

Clinics and health centers designated to provide affordable care to impoverished children and adults are often inaccessible to people who must depend on public transportation. Because of this, many individuals are unable to take advantage of the preventive and ambulatory health services that are available. In addition, there is little public knowledge of the services that do exist.

Medical care for young, low-income pregnant women does not meet increasing need. Low-weight, high-risk infants are often born to these women, and infant mortality rates remain high among this population. These women are uniformly described as being anemic and suffering from poor nutrition. Children in special health programs, such as lead poisoning and immunization, also suffered when funds were cut. Children served through the Crippled Children's Program were particularly hard hit when there were drastic reductions in support.

CHAPTER FOUR

WIC

The Women, Infants and Children Supplemental Food Program (WIC) provides food supplements and nutrition counseling to pregnant and nursing women, infants and young children. Since it's inception, WIC has been supported strongly in Congress and is regarded as one of the most effective programs run by the federal government. Because of its prevention approach, every dollar spent on this program actually saves substantially more in future medical costs.

. A study by the Harvard School of Public Health has found that each dollar spent in the prenatal component of WIC averts $3 in hospital costs.*

. When 4,000 babies born to WIC mothers were contrasted with a comparable number born to non-WIC mothers, the neonatal mortality rate was two-thirds less for those receiving WIC services.**

. The infant mortality rate in the U.S. from 1971 to 1981 was 16.14. In 1981, it had been reduced to 11.7.

. The New Jersey infant mortality rate fell from 15.42 to 10.6, in the same time frame.

This decline has been attributed at least in part to health programs aimed at low-income populations. WIC, serving 46,711 New Jersey women and children in 1982,can be considered a major factor in this reduction.

The WIC program also serves to avert other serious physiological consequences of poor nutrition in addition to infant mortality rates. The negative effects of malnutrition on a child's physical and mental well-being are well documented. For example, New Jersey has an alarming incidence of childhood lead poisoning, a disease which may result in seizures, brain and kidney damage, learning disabilities and mental retardation. In 1981, the New Jersey Department of Health reported 2,597 cases of children with elevated blood lead levels. Studies have shown that even currently "acceptable" levels of blood lead can result in brain damage and learning disabilities. Not only is proper nutrition an essential component in the treatment of this disease, but studies have shown that well-nourished children are not as susceptible to lead poisoning as those with inadequate diets. By supplementing the diets of low-income children, WIC helps them withstand such disease.

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*The Children's Defense Fund

**This study was conducted by the Massachusetts Department of Public Health, cited by the Children's Defense Fund.

Eligibility for the program depends on economic and nutritional need, access to on-going health care and, in New Jersey, residency requirements.

However, fulfillment of these requirements does not guarantee acceptance into the program. In fact, of the estimated 143,143 infants, children and mothers eligible for WIC in New Jersey in 1982, only 46,711 (33.16%) were actually served. In other words, two-thirds of those women and children determined to be economically and nutritionally needy are not receiving aid. This figure varies drastically from area to area. For example, the Plainfield WIC office serves 66.73% of the eligible clients in that area, whereas five of the New Jersey sites provide less than 20% of the determined need. (See Appendix)

In order to determine eligibility, therefore, a priority ranking by nutritional risk is used. A description of this priority list, of the entire program and of recent funding developments are described in the Appendix.

THE NEW JERSEY WIC PROGRAM

Attempts by the Administration to reduce WIC funding in 1981 and 1982 were rejected by Congress. In New Jersey the 1983 appropriation is $19.4 million and expectations are that it will remain the same in FY1984.* It is important to note that maintaining the same level of funding will actually have the effect of a cut due to inflation and rising food costs.** States are not required to add to these funds. The New Jersey WIC program, which is administered by the Department of Health, does not receive state funding.

WIC funds allocated to each state can only be used during the year in which they are issued. Unused funds cannot be carried over the next year but must be returned to the federal government. As a result, the New Jersey State WIC office instituted a push to add recipients in order to utilize unspent funds before September 30, 1982, the end of the federal fiscal year. However, money for FY1983 did not arrive until three months later (January, 1983), leaving the state WIC office "cash short."

The Federal Office of Business and Management issued letters of credit to the states for the first quarter of FY1983 (October through December, 1982). However, New Jersey was not willing to accept credit for such a large sum of money. The result was a total statewide freeze on the WIC program. For the last one to two months of 1982, clients due for re-evaluation*** had to be placed on waiting lists, no matter how dire their need for supplemental food. When federal funds were finally received in January, 1983, the local offices were told by the state to gradually increase their caseloads once more.

*Additional funding was added with recent passage of the Jobs bill.

**The Congressional Budget Office estimates that food costs will be approximately five percent more in FY1984 than in 1983. Failure to offset this increase would result in approximately 115,000 (5%) low-income pregnant women, infants and children being dropped from the program.

***Since different WIC sites were at different stages of spending when the freeze occurred, clients were placed on and taken off "frozen" status at different times. Re-evaluation must be done every six months to re-assess nutritional eligibility.

CONSEQUENCES*

1. In general, both WIC coordinators and recipients lauded the program. Especially revealing were the comments made by the WIC mothers in Newark:

   - "Things are explained so that you can understand."
   - "They (the WIC staff) are very friendly and seem to be concerned."
   - "I think WIC should stay around for a long time."
   - "(I want) to thank whoever is responsible for this program."
   - "It helps me an awful lot with the added bit of food I can get because I can't seem to manage on food stamps."
   - "I hope they be (sic) able to continue the WIC program not just for my family but for others that really need help like I do. I think they are doing a very good job."
   - "Please try to get the children back on WIC (sic) they all need healthy lives."

Of the 17 evaluations of the program** at the University of Medicine and Dentistry of New Jersey (UMDNJ) in Newark, there were only two complaints. They both revolved around the limited variety of certain food items. (One mother mentioned cereal; the other cited juice.) All of the recipients were satisfied with the staff and treatment they received. When asked what they liked most about the program, the majority (11) mentioned the food benefits which helped stretch the family budget.

- "That I am able to have milk, eggs, juices and cheese for my child at all times without having to worry..."
- "I like the food check because they help you a lot especially if your (sic) not employed. I have food for my baby."

Two mothers commented specifically on the nutrition counseling aspect of the program which teaches recipients how to ensure that their family is receiving a balanced diet.

- "It teaches you about good nutrition and helps you prepare more nutritious meals."

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*Two counties were not represented - Atlantic and Cape May. Atlantic County has two WIC programs while Cape May has none. Also note that WIC service areas do not necessarily encompass whole counties. For example, the Trenton office, which is the only one in Mercer County, only serves residents of Trenton and Hamilton Township. Essex County, on the other hand, has three offices but the whole county is still not served.

**These were sent to us with explanatory information accompanying a questionnaire. They had been filled out independent of the Child Watch interview process.

Two other recipients emphasized the importance of both aspects of the program-actual food and nutritional counselling. One woman said that what she liked most about WIC was:

- "Free milk for my baby, and knowing that there's a specialist who knows more about the right foods for my baby."

2. WIC clients throughout the state were largely the working poor and welfare recipients. In addition, Newark had many mothers 15 years old and younger. This increase in teenagers was commented on by various WIC administrators. Both Middlesex and Monmouth Counties reported a recent large increase in infants and children, which was attributed to a loss of food stamps and parental unemployment.

3. Positive results of the program, reported by the coordinators, ranged from increases in pre-natal care to increases in birth weights.

   - According to the UMDNJ WIC office in Newark, the program brings new mothers into the hospital for a range of pre-natal preventive health care services.

   - The Trenton office reports that, as a result of the program, birth weights for high-risk participants are not as low as for those who do not participate in WIC.

   - In Monmouth County, at the time of the first interview (May, 1982), there were 15 infants and children in the program who could not tolerate regular milk. The special formula these children need costs $9-$12 per can, which the families would not be able to afford if they were not receiving WIC benefits. It was also noted that the nutrition program allowed many diabetic women to complete their pregnancy without insulin.

   - The WIC program administered through St. Elizabeth Hospital in Elizabeth reported that women were coming in earlier in pregnancy than ever before. A lower incidence of anemia was also reported here. "When the children are recertified for eligibility every six months, they almost always seem improved," according to the WIC staff.

4. The problems of enrollment were brought up in each interview. As explained above, during the summer of 1982, the local WIC offices were told to increase their rolls and at end of October, they were forced to freeze services. This practice of "roller-coaster enrollment" placed a strain on the staff and created long waiting lists.

   - The East Orange WIC office was asked to cut their caseload which was 2,300 clients in September, 1981, to 1,600 by October, 1982. They were also mandated to reserve 500 slots for residents of Orange. Therefore, the East Orange caseload had to be cut in half.

- The November freeze resulted in the termination of approximately 500 slots in Hunterdon County, necessitating the formation of a waiting list. When the new funding was received in January, 1983, less than half of those cut were reinstated.

- Due to the state's mandate to reduce the number of WIC recipients, Monmouth County's enrollment dropped from 2,400 in October, 1982, to 1,800 in February, 1983. As of February, 1983, they had 400 people on their waiting list.

- According to staff at the Elizabeth WIC office, the "see-saw" nature of the waiting lists translated into children and pregnant women being served for a very short time and then being cut from the program.

5. The lack of administrative funds was another serious problem. While some local WIC Coordinators reported a decrease in this funding, others stated that it had remained at the same level for three years. As a result, there has been a serious reduction in staff and services.

One result of these administrative budget cuts is the lack of emphasis on the nutritional education component of the WIC program. With few staff and less money, this important service is being virtually phased out in order to provide food for the children and women who depend on it.

- The program run by the UMDNJ in Newark lost five permanent full-time employees, while one was reduced to part-time. They have been unable to give a promotion in three years and some people had to be demoted exclusively due to lack of funds.

- Both WIC offices serving Union County suffered staff cuts in 1982. Two people were let go in Plainfield. Two workers, including a full-time nutritionist,were laid-off in Elizabeth, leaving a staff of three to serve all of eastern Union County. Since the loss of the nutritionist, the coordinator worked in that capacity.*

- The Monmouth County WIC office has 2,800 slots but can only serve 2,350 people a month due to the lack of personnel.

- In Hunterdon County, the money saved by cutting back on staff and closing one office was used to keep enrollment up.

- The only WIC program in Bergen County, newly implemented in January, 1983, reported that there are no funds for administration in new programs.

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*Update:The service areas has been redefined for the office, and funding has been readjusted accordingly. This has allowed them to hire a new nutritionist.

6. Several respondents felt that key health risk indicators were not being given enough weight in determining the six priority rankings. (See Program Guidelines in the Appendix.) This, along with funding shortages which necessitate the elimination of low-priority recipients, has led to more frequent termination of participants and a shorter maintenance period for those who are eligible.

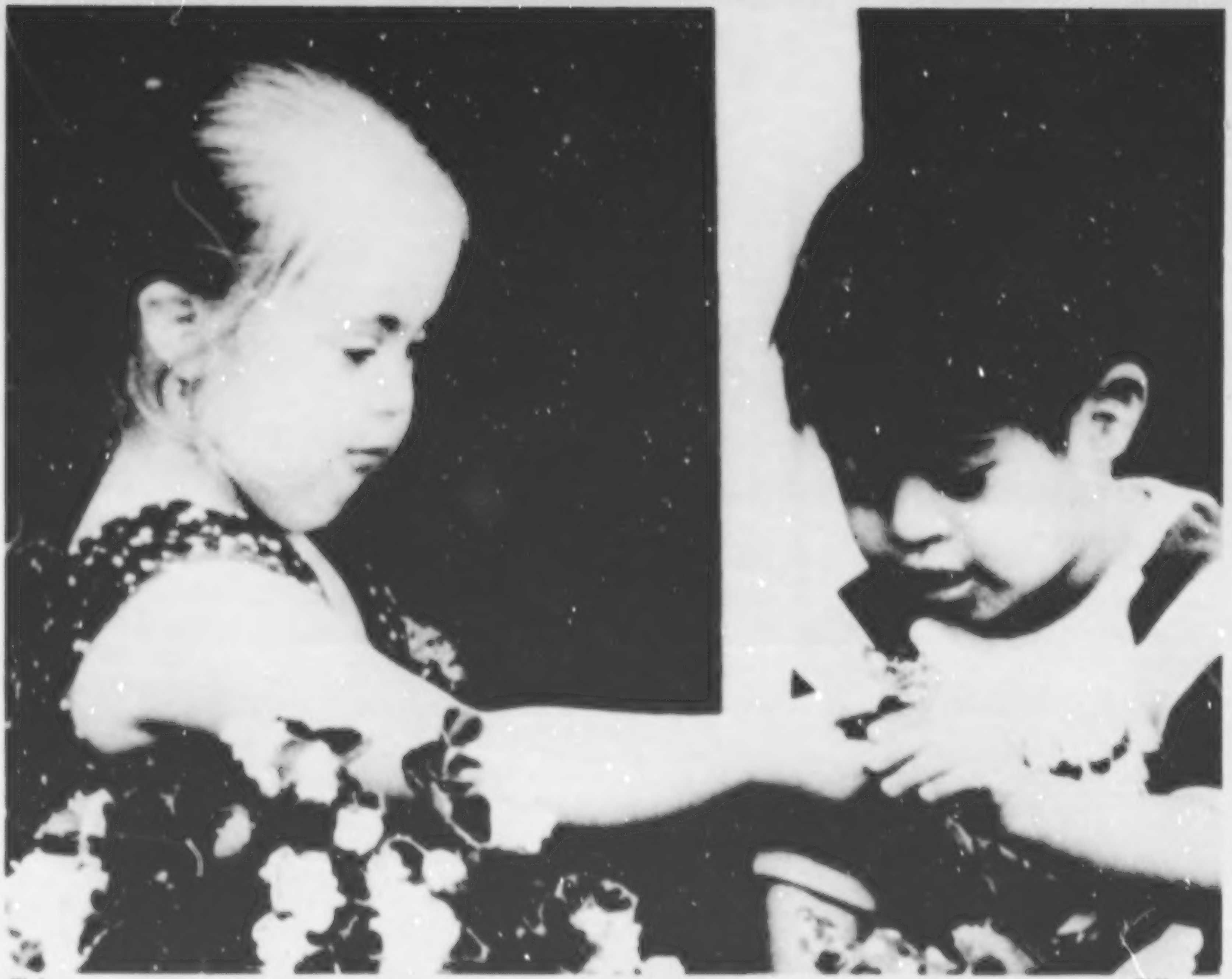
   - According to one WIC coordinator, the State Office requires only an increased hemoglobin count to terminate a child suffering from lead poisoning. However, an additional test (E.P.) was stated to be necessary for accurate evaluation.

   - Another WIC coordinator commented that in the past, cases remained open for three or four years. Now the longest a case can be maintained is a year and a half.

   - A pregnant woman from Bergen County with a history of diabetes was provided with nutrition information from the WIC program, had a normal pregnancy and delivered a healthy infant. The follow-up examination indicated that everything was within limits. Now she is back a half year later. She cannot control the diabetes and the child exhibits a poor growth pattern. All the WIC office could do is place her and the child on a waiting list. At one time they could have been maintained over a period of a few years, long enough to ensure that the infant would get through early childhood normally.

CONCLUSION

This program, lauded by WIC coordinators and mothers alike, has long been underfunded. It serves only about 30% of the eligible mothers and children in New Jersey. Shortages in administrative funds have caused serious reductions in staff and services. Guidelines used to determine priority eligibility have been tightened. This and funding interruptions have led to situations where mothers and children are dropped from the program more frequently and after shorter periods of assistance, despite the fact that health problems still exist.



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CHAPTER FIVE

MENTAL HEALTH

Millions of children in the United States have need of mental health services. However, they are often overlooked as programs and funding concentrate on the adult population.

> There are at least 3,000,000 seriously disturbed children in the United States. At least two thirds of them are not receiving the mental health services they need. Of those who are receiving services, many are given care that is inappropriate or ineffective in addressing their problems.*

There are a variety of reasons why these children need mental health care. Some have a history of emotional and mental health problems, often stemming from childhood abuse or neglect. Others have difficulty in adjusting to the increasing social and economic pressures that affect both them and their families. Severe depression, adolescent and teenage suicide, anorexia and youthful alcoholism are just some of the symptoms that people working with children in various capacities report as being on the rise.

Children in need of mental health assistance come from every type of background and income level. Reports of chronic substance abuse and "acting out" behavior on the part of children were heard from interviews carried out in all parts of the state with workers dealing with all socio-economic populations. Very often, the needs of these children are not addressed until problems have escalated severely. By the time this occurs, the child has often become enmeshed in other systems dealing with children, such as juvenile justice or child welfare. In fact, some of the respondents commented on the inter-relatedness of the mental health and juvenile justice systems, with children's needs not addressed until they had come into trouble with the law.

Recently, economic pressures due to unemployment and budget cutbacks have served to accentuate the emotional turmoil of children and families in crisis. The resulting increase of children in need of mental health care and community support is occurring at the same time that decreased funding on the federal and state level is further restricting those programs, already in short supply, that are available to vulnerable children.

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*Children's Defense Fund.

NEW JERSEY: MENTAL HEALTH AND RESULTS OF OBRA LEGISLATION

Programs which provide mental health services for children and families are not coordinated under one Department, but are funded from a variety of different sources on both the state and federal levels. New Jersey receives a large portion of its federal funding for individual mental health programs through the Alcohol, Drug Abuse and Mental Health Block Grant (ADAMH). Funds are also received from the Title XX Social Services Program for a variety of services, some of which benefit children and families in the area of mental health. Medicaid funding is also a source of mental health funds, used to reimburse licensed psychiatrists and psychologists, mental health centers and institutions. Other programs, such as The Child Abuse Prevention and Treatment Act, also contribute to services for disturbed and troubled children.

In the past, funds were also received from the Law Enforcement Assistance Agency (LEAA) which sponsored multiple grants given by the State Law Enforcement Planning Agency (SLEPA). These were used specifically to provide mental health treatment to children on probation and their families. (Descriptions of the programs and federal cuts brought about by OBRA can be found in the Appendix.)

Alcohol, Drug Abuse and Mental Health Block Grant (ADAMH)

This Block Grant, instituted in 1981, was funded on the federal level at 26% below the former accumulated total of the individual programs in FY1981. Although funding for both substance abuse and mental health areas are channelled to the state in the same Block Grant, these funds are redistributed in New Jersey to various Departments. The mental health funding is primarily administered through the Division of Mental Health and Hospitals under the Department of Human Services. Funding for alcohol and drug abuse is administered through appropriate divisions under the Department of Health.

There are no special funding requirements for children's services. The Block Grant does specify that 20% of the alcohol and substance abuse funds be used for prevention and early intervention activities, but applies no similar restrictions on the mental health funds. Community mental health centers funded through this grant are required to provide some outpatient services for children, but not at any specific level. As will be noted in the Consequences section, reports indicate that only a small portion of the clients being served at Community Mental Health Centers are children, a direct result of state priority directives. Children may be served as members of families - not as a specifically targeted population - and as such have been affected by reductions in those programs.

Title XX

As mentioned in the Child Care section, funding in this program was reduced $20 million in New Jersey, as a consequence of OBRA legislation. This was felt not only in the provision of child care services but also in the area of mental health, where some of the funds are used.*

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*An additional $5 million was allocated to the Social Services Block Grant as a result of the recently passed Jobs Bill.

Title XX support has been utilized in youth services, programs for alcohol abusers, protective services for abused and neglected children, and community mental health social services. The reductions in funds caused cuts in programs such as counselling and youth services. Programs in alcohol abuse prevention and family planning services operated by the Department of Health were also cut by $235,000.

Medicaid

Eligibility restrictions, particularly those affecting AFDC applicants as described in Chapter One, have caused thousands of New Jersey children and their parents to lose Medicaid benefits. With this loss has come the inability of low-income children to make use of the psychological and psychiatric services which the plan may reimburse. Mental health providers, attempting to provide services for these children , find it extremely difficult to continue treating this population. Numerous therapists and agencies interviewed by Child Watch commented on the problems Medicaid loss has caused for clients and agencies.

State Law Enforcement Planning Agency (SLEPA)

When LEAA funding was terminated in 1980, multiple grants given by SLEPA to agencies throughout the state were ended. These provided mental health services for children on probation. Although SLEPA grants were awarded as starter funding, with the expectation that costs of the programs, if they proved successful, would be locally assumed, tight fiscal constraints on the local government and provider agencies have resulted in the continuation of very few.

Other Programs

There have been cuts in other programs that give services for disturbed and troubled children. Among these is the Child Abuse Prevention and Treatment Act, reduced from $23 million in 1981 to about $16.2 million in 1982, nationally.

It should be borne in mind that these reductions in funding come on top of what has been an under-funded situation. Comments by the Child Watch respondents aptly describe a situation in which children's mental health needs have long been neglected, a situation which pre-dates OBRA cost-cutting legislation.

NEW INITIATIVES: STATE RESPONSE TO MENTAL HEALTH NEEDS

In the last three years, new initiatives have been taken by the state to address the lack of mental health services for youth. The Division of Mental Health and Hospitals has begun Non-Residential Program Development in an effort to support children in their own homes. Fourteen new partial-care programs (non residential) have been started, augmenting pre-existing ones, with a variety of program components - primarily therapeutic but with vocational, recreational, educational, and social elements. (Not every program employs each component.)

In conjunction with this, there has been an upgrading of in-patient, long term care for children in Trenton Psychiatric Hospital's Adolescent Unit and the Arthur Brisbane Child Treatment Center. At the same time there has been a phasing-out of "inappropriately-utilized" children's units in state psychiatric hospitals.* Also being developed is a state network of small acute-care units for children, affiliated with community mental health programs. At this time, six of these units have been developed with four currently operating.

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*This term is used by the Division to explain its policy.

Presently, focus is on developing services for children and adolescents in their own homes in order to avert removal from their families and communities. Long-range plans include greater emphasis on community-based outpatient referral and evaluation.

In a related move, the Division is coordinating efforts with DYFS to do an assessment of mental health needs of children and youth in New Jersey. The two Divisions are working together to develop and implement programs providing more comprehensive mental health services for this population.

These efforts are to be commended as attempts to address the long-neglected mental health needs of New Jersey's children, particularly in terms of community based and acute-care facilities. On the other hand, Child Watch interviews indicate that great need is still perceived to exist, with the initiatives of the state either too few or too new to have made an impact on consumers and practitioners alike.

CONSEQUENCES

1. All counties reported a marked increase in mental health problems in children since 1981. Drug and alcohol abuse were mentioned most often (6 of 7 counties)* by mental health practitioners as the primary problem they saw in children, followed by suicide attempts and acting out, anti-social behavior (i.e., fire setting).

   - In Cape May, mental health practitioners stated that drug and alcohol addiction were very prominent in the county, among children and teens as well as parents, and were major reasons for psychological problems.

   - Several providers in Mercer County commented on the notable increase in suicide attempts among children and teenagers. One worker from the Mercer Medical Center was concerned because younger and younger children have been attempting or committing suicide.

   - One family therapist in Bergen County reported an escalation of depression among children, expressed either in forms of hyperactivity and acting out, or in attitudes of severe hopelessness.

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*No information in the mental health area was gathered in Atlantic County.

2. The providers also reported that there was a rise in cases of abuse and neglect and also of sexual abuse among their caseloads. These reports of abuse increases came from five counties; of sexual abuse from four. They do not speak of absolute increases, but rather increases among children and families being treated.

   - NEDAC, an Essex County counselling agency, has seen an increase in abuse and neglect cases among their clients. Also, as the head agency of the new family crisis unit, they have noted a large increase in the request for these services.

   - A Union County pediatric social worker reported an increase in sexual abuse among children seen in the hospital, as well as an increase in the number of younger children admitted because of suicidal gestures.

   - Psychiatric service personnel in Monmouth County and health care workers from Elizabeth General Hospital in Union County were among those who reported an increase in children being treated for sexual abuse since October, 1981.

   - In Bergen County, a child treatment center had been receiving fewer referrals from DYFS at the first interview. In follow up, this situation had changed drastically. From November, 1982 to June, 1983, the center's capacity had been increased three times. The director speculated that this was the result of an increase in child abuse. The number of referrals from DYFS had risen, especially from Essex, Bergen, Passaic and Hudson counties.

3. Economic conditions and unemployment were often cited as the reasons for the increases in mental health problems. In four counties, economic conditions were held responsible and in two, specifically unemployment.

   - In a children's treatment center in Monmouth County, the impression of staff was that sexual abuse was highest in that area of the county where there was high unemployment.

   - In Cape May, a practitioner made the observation that one of the leading causes for psychological problems is the economic situation - empty houses if both parents work or the stress of unemployment. Also, one-parent families and poverty.

4. It has become increasingly difficult for poor children and families to receive needed treatment. This was mentioned in interviews in four of seven counties. There is an increase in unemployment and a decrease in the numbers receiving Medicaid. The root of the problem lies with the fact that there are so few programs for those who cannot pay.

- A Union County psychiatrist reported that the borderline income, "pay-as-you go" people (none of whom are now eligible for Medicaid) were finding it necessary to limit themselves in services. While before they may have been benefitting from family therapy and individual therapy for their disturbed child, they were now only able to afford medication.

- A worker from a mental health organization in Bergen County reported that while there are good programs for families who can pay, those who cannot are limited to dependence on public agencies that have been cut back. "The poor families and the newly poor (members of the lower middle class) are hardest hit."

- In Cape May County, a private psychiatrist reported that it was difficult to find treatment for children and parents with mental health problems if they were unable to pay for services.

- In Bergen County, one respondent noted that they were seeing an increasing number of frustrated parents (i.e., being cut off welfare, expenses going up) who were finding it difficult to meet their children's needs. To reduce expenses, these parents were less likely to involve their children in therapy, no matter how necessary it was.

- One worker at the Mid-Bergen Mental Health Center reported that the increased stringency of Medicaid eligibility resulted in fewer people being able to get help. In addition, the center was receiving less in fees since their clients who pay on a sliding-scale have less income than before the cuts.

- In Monmouth County, a respondent reported that the number of Medicaid clients who had lost coverage as well as those who are unemployed resulted in a noticeable decrease in reimbursements to the child psychiatric center. He insisted, however, that children are never denied service.

In addition, there is the underlying problem that pre-dates OBRA developments - the relatively few services that have been targeted towards children since the move to deinstitutionalize adult populations in state mental hospitals.

- Several community mental health centers that were interviewed reported that only about 15% of their clientele were children. They commented that this was not due to a lack of disturbed children, but was due to the current state criteria. Deinstitutionalized patients and people at risk of being hospitalized were the top priority groups to which mental health services are to be given. In one clinic, children had comprised 70% of all cases, 16 years ago.

5. Many community-based agencies reported that they had to reduce staff and programs at the same time that demands for service were increasing. Although counties and the state had, in many places, tried to fill the gaps left by federal cutbacks, they were unable to fully compensate for lost funding. As a result, services for disturbed children were lost or in jeopardy. Several agencies reported that their funding, although not cut, had remained static. This, combined with inflationary costs, caused them to reduce services.

   . A guidance center in Mercer County lost $150,000 and six staff as a result of cuts. They had to close their Trenton out-patient department, and reported that they were only able to see the dysfunctioning families served by that program one day a week.

   . In Cape May, a mental health facility lost funding for a program that offered mental health services to troubled juveniles and their families who were referred from the courts, because a SLEPA grant was cancelled. They received partial funding from the Division of Mental Health.

   . A children's treatment center in Monmouth County was forced to drastically cut back the preventive programs because of budget constraints. They went from eight staff in the preventive program to one-and-a-half, and had to cut back in their drug abuse program. In addition:

   Due to new Block Granting of mental health funds, in the coming year they anticipated receiving the same funds for 12 months that had originally been used for nine months. There were only one-and-a-half consultants, as opposed to seven before the budget cuts.

   This agency tried to absorb cuts and inflation through reduction in administrative and staff costs. However, it was feared that services to needy children will inevitably suffer.

   . A family service center in Essex County reported that they cut their child abuse service by 7%. They have received no increase in funding over the past five years with the exception of state money for out-patient care. Inflation is constantly eroding available funds.

   . In Mercer County, a mental health center that acts as a "case manager" referral service reported that resources for disturbed children in their community were cut. There was an increasing number of people needing the services, but fewer people to provide them.

- In Bergen County, a mental health facility eliminated several community-based preventive programs. This included two parenting-skills programs and a drop-in baby care center operated at a local church which was developed to ease the tension of young mothers, and, therefore, to help prevent child abuse.

6. Many more children and families seeking mental health services were exhibiting extreme stress which providers attributed primarily to increased financial pressure on the family.

- A worker of an Essex County family service center felt that they were seeing an increased number of families operating under extreme stress, and more and more children from families that were economically deprived, broken and emotionally chaotic.

- A psychiatrist in Bergen County reported that there were several cases where children, already identified as being at risk by the mental health facility, were detrimentally affected by budget cuts. In one case, family stress caused by the loss of S.S.I. support led directly to a child being re-hospitalized in a psychiatric facility.

- At the Greater Trenton Community Mental Health Center they reported an increase in child abuse caused by strain placed on families. They noted that both the general economic situation and the budget cuts placed enormous pressure and stress on families.

- In Union County, two clinics reported a sharp increase in stress and a notable decline in the level of family income among their clients. This situation caused both an exacerbation of mental health problems for these families, and a decrease in the reimbursement level the agencies receive through sliding-scale fees.

- In Cape May County it was reported that economic conditions led to increasing cases of neglect. In some cases children were being left alone in the house because both parents (or the single parent) had to work longer hours to support the family.

7. Many of those working in the mental health field criticized the provision of residential services to children who needed them. In four of seven counties, providers stated that there were not enough beds - both short and long term - for children who needed to be taken out of the home.

- In Mercer County, workers and advocates saw a need for transitional houses for disturbed children and stated that JINS was an inappropriate substitute for a good residential placement.

- Elizabeth General Hospital, in Union County, reported that they were one of the few facilities serving mentally ill children. As a result, staff felt its resources were severely strained. Psychiatric patients were sometimes admitted to the regular pediatric floor. "There has always been an insufficient number of in-patients beds for children."

  It was noted that the hospital will open a 16-17 bed ward in July, 1983, to serve children to the age of 17 from Essex, Hudson and Union counties needing inpatient care.*

- The Mental Health Association of Monmouth County emphasized the fact that there is a critical need for both emergency in-patient and residential, long-term facilities for children and adolescents.** Hospitals will not take the homicidal, potentially suicidal child or a potential fire setter, since they lack the ability to securely supervise such patients. This interview reported that with the closing of Marlboro State Hospital, only two facilities in the state exist for long-term care of psychotic children and adolescents, each taking different age groups. They were woefully inadequate and cannot meet the demand.

8. There is a severe shortage of residential drug and alcohol treatment facilities serving children and youth. Interviews in two counties specifically mentioned this shortage and need. In other counties, the prevalence of substance abuse as the primary mental-health problem of children was stressed although there was no mention of a lack of treatment facilities.

   - Mercer County interviews discussed the fact that most existing youth programs require that children/youth be drug free. When referrals are made for treatment, therefore, they are usually out of state.

   - The respondent in Bergen Pines reported a severe shortage of residential drug and alcohol facilities, both state and county-wide, especially of those serving adolescents. (They were building or planning to build a new pavillion for psychiatric and addiction patients to be completed in December, 1983.)

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*This has been referred to in the introductory remarks to this section, under New Initiatives.

**This has been refuted by a number of advocates who work in the mental health field. There is a fear of "warehousing" patients and a realization that facilities which exist will be filled. On the other hand, providers felt that there should be placement opportunities for appropriate cases.

9. Other gaps/Needs identified in Child Watch Interviews:

   - Community-based services, both after school and employment-related, for youth. Many service providers felt that supervised, structured programs would alleviate mental health problems for many children when they are caused by depression, loss of self-esteem, and lack of purpose.

   - Small neighborhood drop-in centers for children who are not psychotic, but are in the midst of crisis.

   - Specially trained, emergency foster homes for disturbed children.

10. In addition, Child Watch reports from the various counties indicated that lack of coordination is a critical problem in identifying and treating an emotionally/mentally disturbed child. Respondents indicated that children with mental health problems very often went untreated. When they were seen, it was usually by a member of either the educational or juvenile justice system who lacked training in diagnosis and treatment. As a result, the child often received disjointed, inadequate or inappropriate help. Lack of coordination often resulted in a child becoming lost among the various systems and never receiving aid.

    Private practitioners caring for DYFS children stated that foster children were many times caught in a maze containing too many practitioners with too many perspectives. Due to a lack of coordination and fragmentation of case management, decisions were late in coming or were not transmitted to all those working on a case. Descriptions were provided of DYFS children in mental health programs "moving around too often, seeing too many people - a waste of money and effort." And of children experiencing distress as they were shuttled among inappropriate and unwilling facilities while waiting for beds to become open in far-off treatment centers.

CONCLUSION

All counties reported a rise in mental health problems among children and adolescents, primarily drug and alcohol abuse followed by suicide attempts and acting-out, anti-social behavior. Mental health providers often related the sharp increase to families suffering stress caused by severe economic conditions and situations. Community support systems that might facilitate child and family health, of which mental health programs are an important component, have been sharply curtailed. In addition, loss of Medicaid benefits has limited the opportunities of troubled children and families to avail themselves of mental health treatment. Beyond present trends, however, lies the fact that state mental health treatment for children was inadequate long before the OBRA cuts, and appears to be related to prioritization policy.

Providers of mental health treatment to children expressed a great need for residential settings for disturbed children - both short-term and long-term in nature. A need for drug and alcohol treatment centers was also reported. The lack of such facilities was especially telling in the face of the many reports of the pervasiveness of the problem in all counties surveyed. There were also many criticisms of the lack of coordination among the various systems in treating both individuals and groups of children and families.

CHAPTER SIX

CHILD WELFARE

Statistics relating to neglected, abused and abandoned children show large numbers in our society needing care and protection:*

- Over one million children are abused and neglected each year, and more than 44,000 are known to be sexually molested.
- Some 500,000 children have been placed outside their own homes in foster homes, group homes and institutions.
- An estimated 100,000 foster children who cannot be returned home are waiting to be adopted.

Child welfare agencies, concerned with caring for these most vulnerable children and their families, see about two million such cases each year. Reports indicate that in the last two years the situation has grown steadily worse.

Throughout the nation, there have been escalations in reports of abuse and neglect, in increased demand for foster care placements and in reductions in services that treat disturbed children and help prevent family crisis. The pressure of unemployment and poverty as well as reductions in programs addressing survival needs have overwhelmed children and families least able to cope.

In the areas of child abuse, for example, the National Committee for the Prevention of Child Abuse (NCPCA) found the following in recent surveys of the 50 states:**

1) In 21 states out of 29 with official statistics for 1981 and 1982, there were increases in reported cases of abuse - an increase of about 50,000 reports in these 21 states.

2) In 33 states out of all 51, cases of abuse were reported to be more serious than ever before.

3) In 35 states, a dramatic increase in sexual abuse was reported.

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*Children's Defense Fund

**NCPCA conducted two telephone surveys in the fall of 1982 and January, 1983, asking questions regarding both perception of and statistics on child abuse.

4) In 18 states out of 31 with official statistics, there were increases in the number of deaths caused by abuse between 1980 and 1981. In about half of 27 states with official statistics, there were increases in deaths caused by abuse in the following year also.

The same report found that, at the same time that these increases were being noted, child abuse programs had been reduced in 32 states and the law was being more narrowly defined. Twelve states were investigating only the "more serious-sounding" or cases of children under 12. The reason was, by and large, funding cuts.[1]

In New Jersey, DYFS statistical reports indicate an increase in reports of abuse and neglect of 1,142 between 1980 and 1981. Statistics from 1982 indicate a decline of over 3,500 children from the previous year.* However, reports from the Child Watch counties, reported below, raise questions regarding these state figures. These stem from the fact that virtually all the social workers interviewed in DYFS, including District Office Managers as well as line workers, reported to Child Watch volunteers that they were seeing an increase in abuse and neglect cases. One possible reason for the discrepancy can be found in the Consequences section. While it may not examine all reasons for the difference, it is an attempt to understand why the differential occurs.

NEW JERSEY: OBRA AND THE CHILD WELFARE SYSTEM

In the field of child welfare, there were changes on two fronts simultaneously in 1981, affecting both the quality and quantity of programs and services. On the federal level, funds were cut in both Title XX ($22 million overall) and the Child Welfare Services Program ($200,000). (The federal moves are described more fully in the Appendix.) These obviously affected services to children and families in the child welfare system. But at the same time, significant changes were being made on the state level as well. There was a change in state government due to the election of a new governor, state funding cutbacks to child welfare programs, hiring freezes of state employees and a reorganization of the entire state government structure. This greatly affected all public systems, including DYFS.

It is impossible to determine how each of these changes individually affected the provision of child welfare services in the state. It is safe to say, however, that their combined impact resulted in reduced and disrupted services to the children in the system. The Child Watch fundings that follow amptly testify to the situation as it existed at that time.

Recent changes in DYFS, based on reorganization efforts, appear to be redressing many of the deficits noted by Child Watch interviews. Since the winter of 1982-1983, increased funding has been allocated for hiring more front-line social workers. A new training program has been instituted for DYFS workers with an emphasis on investigative techniques to be used in suspected abuse and neglect cases, joint training for foster parents and workers will start soon, and law enforcement agencies have assumed greater responsibility for investigating suspected abuse and neglect cases.

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*Comparison of cases of suspected abuse and neglect: 1980-22,616; 1981-23,758; 1982-20,193. Data on confirmed cases was not available for 1980 & 1981. Figures for 1982 come from the Computerized Service Information System (SIS), representing the first full year the system has been in use in all DYFS District Offices.

CONSEQUENCES

1. Child Watch interviews indicate that many professionals working in the child welfare field, and many workers in other service areas, have seen a rise in the incidence of abuse and neglect since the institution of OBRA. Protective service workers in DYFS, mental health practitioners, counsellors and agency directors, hospital personnel, and others reported a noticeable increase among the client population in child abuse and neglect. Since they were seeing a somewhat selective and problematic population, it seemed best to look for a more general indication in the wider population. Therefore, we looked at responses from DYFS, for it indicated trends in the counties overall.

Analysis of Interviews with DYFS workers

An analysis of those interviews conducted only with DYFS-affiliated personnel shows that almost 70% of 30 workers over all (9 in first round and 21 in second) reported local rises in reports of abuse and neglect cases. In the summer of 1982, in the first round of interviewing, only Union County workers reported an increase. Second round interviews, conducted in the winter of 1982-1983, elicited reports of a rise in all seven of the counties that responded. (The Atlantic County respondent was unable to provide information when interviewed.)

As to reasons why this occurred, respondents indicated that continued economic problems, linked to loss of AFDC and other benefits such as lack of child care plus increasing unemployment, appeared to be the cause.

The time period during which these reports were made covers the half year from June to December of 1982. Much of the increase represents neglect (rather than abuse) cases, where the parents were unable to provide adequately for children's basic needs. This reported increase appears to contradict the DYFS statewide statistics for 1982, which show an overall decrease of 3,500 abuse and neglect reports. It is possible, however, that in the earlier 6 months of 1982 there was a lower incidence of abuse and neglect cases reported.

There are undoubtedly other reasons for the discrepancy between the Child Watch interview reports and state data. Further research would be needed to determine the full explanation for the differential.*

Approximately one-quarter of the DYFS personnel who reported increases in the number of these cases also indicated that the severity of the cases had increased as well. Most often reported was a rise in neglect cases, linked to increasing economic difficulties experienced by low-income parents. There were also increases, but of a lower magnitude, in cases of sexual and physical abuse.

DYFS respondents from the city of Newark did not emphasize the increase in abuse and neglect, since the situation was always one of a maximum load. In this city, DYFS workers constantly worked with extremely difficult child abuse and neglect cases themselves, and referred less severe cases to outside agencies because of the high caseload. There are so many complex cases referred to DYFS in the Newark area, that one respondent compared the situation to the triage system of the battlefield, assigning priorities to battlefield casualties on the basis of urgency.

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*There is some question about the method the District Offices use in compiling child abuse and neglect statistics. We plan to discuss this with DYFS in the near future.

- The counties in which increases in cases of abuse and neglect were most often mentioned by all respondents - workers in associated fields and DYFS workers as well - were Cape May, Monmouth, Bergen and Union. These counties represent a cross-section of the state - urban, suburban and rural, and geographically located in almost all regions. The rise, therefore, does not appear to be confined to counties in any specific geographical area.

- Providers and advocates in every agency, and in every county commented that decreases in child care (from loss of AFDC benefits, closings of DYFS child care centers, inability of parents to pay Title XX sliding scale fees, etc.) as well as economic factors were instrumental in the increases in abuse and neglect. The feeling was expressed in many cases that child care is a necessity not only for the working woman but also for the mother who stays at home, to provide respite in times of stress and thus alleviate chances for abuse.

2. Low-income families being seen by child welfare workers were reported to be suffering noticeable economic hardship in the first round of interviews. In some counties, second round interviews indicated that this situation had further deteriorated. These reports came from all sectors - public and private - and on all interviews. Many factors joined in producing this effect - the loss of AFDC benefits, loss of food stamps, loss of Medicaid, cutbacks in child care subsidies, lack of low-cost housing. In some counties, there were highly specific conditions producing this effect. Some typical observations from the summer, 1982, round of interviews:

   - In Atlantic County, the need for low-income housing was critical and unemployment was very high due to a shift in job patterns.

   - Clients were increasingly requesting medical care from the Atlantic Child Federation probably as a result of being cut from AFDC and Medicaid.

   - In Monmouth County, welfare mothers at a DYFS protective service center all stated that it was impossible for them to make ends meet on the current AFDC benefits. High rents were their biggest problem, for benefits did not vary by region so as to adequately cover local shelter costs. Apartments and houses were being converted to one-room units or halfway houses. They told about landlords who discriminate against welfare clients and their children: "They'll take a tenant with a dog but not a welfare mother with a child."

- In the towns of Elizabeth, Plainfield and Roselle in Union County, agencies noted the severe impact of benefit cuts among their clients. There were increased requests for food, transportation, day care and after-school care. Family dysfunction appeared to be rising.

When the same five counties were revisited six months later, there were indications of a worsening situation:

- DYFS workers in Newark reported that there was a rise in the number of cases of children being sent to their office for the provision of emergency medical services. These were children who had lost Medicaid coverage when they were cut from AFDC, whom agencies labeled as being "at-risk." DYFS was turned to as a last resort.

- In Monmouth County, there was a need for more temporary shelters of good quality for women, children and teenagers. Also, more middle-class families were now phoning for financial assistance from a private agency which traditionally offered only counselling services.

- In Mercer County, families were suffering from lack of medical care and an inability to pay utility bills. DYFS workers stated that half of the children placed in foster homes during the winter were there because of these problems. Lack of adequate housing was also reported to be directly related to findings of neglect. One worker investigating such cases stated that if DYFS could find housing for these families, the foster care load could be noticeably reduced.

3. The combined effects of federal and state funding cutbacks, state reorganization and hiring freezes seriously hampered DYFS. The scope of their services were limited and workers were less able to respond to the needs of clients in a timely manner. Staff was frozen and caseloads rose.* Only crisis situations could be serviced; preventive service could not be given.

   Child Watch interviews were conducted during a year of upheaval for the Division. Cutbacks and changes caused problems and disruptions that were reported on almost every interview from both DYFS personnel and the providers with whom they interacted. The internal mechanisms of the Division, as well as their contracts with outside agencies, were affected.

   Here are typical statements, found in every interviews:

   - A Mercer County DYFS administrator observed that they were no longer able to provide preventive care for at-risk families because of the increased number of severe abuse and neglect cases they were seeing combined with a cut in staff.

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*One indication of service cuts is an increase in social worker's caseload size. The NCPCA survey quoted at the beginning of the chapter indicates that twenty-eight states reported larger caseloads for child welfare workers since OBRA went into effect. In 18 of the states where caseload size remained stable, comments indicated that the workers focussed on abuse cases, or utilized unskilled workers to handle many referrals.

- A DYFS respondent from Essex County noted that whereas DYFS had formerly been able to offer support services to help keep a troubled family together in their home, they now could only work with families so pathologically disturbed that the children had to be removed eventually from the home. The damage, he added, is devastating.

- Newark was reported in interviews as being extremely hard hit. Always a place with high turnover among the DYFS workers due to the pressure of the job, a respondent indicated that the situation worsened after autumn, 1981. Many families who would have been identified previously by DYFS were not being served because DYFS staff simply had too many cases to handle, without an adequate number of workers.

  (Note: A DYFS administrator said that DYFS staff has had service limitations in Newark since 1976, when they decided to handle only abuse and neglect cases. They have been placed in the difficult position of having to prioritize which results in the exclusion of families that cannot be interpreted as abuse and neglect.)

- Within the agency, all workers reported that training programs were cut and educational leaves were severely curtailed to maximize savings. In addition, five of 22 DYFS operated child care centers throughout the state were closed. They were used primarily to provide supportive services to abused and neglected families. This adversely affected both the families and the workers for they had no clear indication as to whether or not their particular center would continue to operate.

Many contracts with outside providers were reported to have been reduced. These examples come from the interviews:

- In Atlantic County, the DYFS office reduced a contract with the Atlantic City Medical Center which assisted pregnant high-risk women.

- In Union County, a 10% reduction in contract funds led DYFS to terminate or reduce several contracts with service agencies. As a result, two agencies providing counselling and therapy for disturbed children and families reported fewer DYFS referrals.

- A Bergen County agency which provides counselling in child abuse cases had their DYFS contract reduced from 125 families to 90 families, in spite of increased reports of abuse and neglect.

4. With the narrowing of the focus of child welfare services, individuals from all counties reported that neglected children were not receiving timely or appropriate services. Most of these comments linked this to the limited resources available to DYFS which caused them to respond to the most severe cases of abuse only.

Among all the interviews, there was a small number, 2.5%, that criticized the non-response of DYFS. The following examples are typical of comments by those within DYFS and without:

- A DYFS caseworker was concerned because they were no longer handling cases which could be solved through intervention. The caseloads were comprised of the most difficult abuse cases.
- Many JINS shelters reported a lack of responsiveness on the part of DYFS to the needs of the children in the shelters. DYFS is responsible for placing these children and arranging for support services for them if they are returned home. Representatives in the shelters acknowledged that under-staffing of the DYFS offices was often at the root of this problem. However, they were very concerned about children unnecessarily spending extensive periods of time waiting for an appropriate placement.
- One respondent from a Union County agency outside the DYFS system reported that DYFS workers were not investigating cases where a child was neglected - emotionally, psychologically or even physically. They would only investigate cases where a child had been physically abused. "You have to show them scars and black eyes before they'll react," this worker observed.
- Bergen County DYFS workers observed that fewer preventive services were offered to children and families since the 1981 budget cutbacks. One respondent noted that state mandates for child protection services were being met, but other services were seriously reduced. For example, fewer children were being placed in DYFS-operated protective service day care centers.

5. Proposed plans to reorganize DYFS began to be implemented in the winter of 1982-1983. Although most Child Watch interviews were completed by the end of 1982, a few were conducted after January 1, 1983. These indicated that reorganization was taking place. Most initial response from DYFS workers who were interviewed was positive. In most counties additional caseworkers are being added to augment existing direct service staff. (One county, Atlantic, reported losing nine of their 67 workers because of the new hiring formula.*) Those interviewed also noted that several new training programs were being implemented.

   - An Essex County DYFS administrator stated that additional staff (hired in the winter of 1982-1983) meant that workers currently employed could be able to deal more effectively with the children and families they see.
   - Another DYFS representative reported that their office had acquired three support staff positions in addition to new caseworker positions. These people can now handle investigative work and act as trouble shooters, freeing caseworkers to spend more time with families on their caseloads.

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*Workers were being deployed to areas in the state with high poverty and child population indicators.

- Several respondents commented positively on newly instituted training programs. New line workers are reported to be receiving a month of training before assuming any cases, which includes first-hand observation as well as technical/educational instruction.

6. In most of the counties, there was a rise in placements of children in foster care homes in 1982. In five of the counties (Monmouth, Mercer, Cape May, Hunterdon and Atlantic), foster care placements had risen, according to reports from DYFS personnel. (In Union, no data was tabulated.) This was in spite of the fact that the state's emphasis on permanency planning had resulted previously in fewer children being placed out of their homes.

   - In Hunterdon, although the total number of children in placement had remained constant, there were fewer in institutions and more in foster homes. (The latter had risen from 20-22 in June, 1982 to 37 in November, 1982.) This was attributed to an increase in abuse/neglect cases since June.

   - In Cape May, the number in foster care had nearly doubled between April, 1981 and October, 1982. By November, ten children were sent to permanent settings, many of them returning home, reducing the number from 70 to 60. Workers felt that many (from half to almost all, depending on respondent) were taken out of the home because of abuse/neglect, with the economic situation as the root cause.

   - There were a number of reports of children being temporarily placed in foster care because their parents were unable to afford basic necessities. Providers indicated that cuts in AFDC, food stamps and other assistance programs, combined with factors such as high unemployment, played a major role in these increased neglect cases (particularly during the winter months).

   - Atlantic County DYFS staff reported that they have seen increased para-foster care requests, where families were voluntarily placing their children with friends or relatives because of financial need and/or family stress.

   - A Bergen County DYFS worker felt that the increase in requests for foster care was probably due to economic stress.

   - One private child placement agency in Mercer County reported an increase in parents bringing toddlers in for adoption. The children were placed, at least initially, in foster care. This was the result of great economic problems or stress for the parents.

- In Monmouth County it was observed by DYFS workers that children may be remaining longer with foster families since parents, who were charged with involuntary neglect, cannot provide satisfactory living quarters to which the children can return.

7. Cuts in DYFS funding and staff restrictions affected foster care families by reducing the amount of support that they received from social workers.*

Cuts in DYFS stafftime and an inability of the worker to respond to problems were noted by all foster parents. Two spoke of the difficulty in getting promised transportation for business with the child. Half talked of the lack of communication with their workers. Others spoke of the difficulties of finding a doctor to treat foster children (who are covered by Medicaid). In fact, one foster mother reported that because of restrictions on Medicaid reimbursements, the insurance would only pay for the lenses of her foster child's glasses. She had to pay for the frames. The phasing out of Medicaid when a foster child becomes 18 was also a matter of deep concern, particularly where parents had adopted children with mental and physical handicaps on the assumption that aid would continue to the age of 21.

Although not brought about by budget cuts, the low reimbursement rates for clothing were discussed by all foster parents. They had not been increased since 1981.

Other points covered by parents and advocates:

- Difficulty in recruiting new foster homes;
- Little or no counselling to natural parents while child is in foster care;
- The length of time it takes to finalize adoptions;
- The low rates for adoption subsidies (80% of foster care rates) and corresponding effects on adoptions of children with special needs.

CONCLUSION

Providers throughout the social service system in the eight counties reported a rise in child abuse and neglect. Many families of these children were reportedly suffering from increased economic hardship. Some increase was reported in the number of children being placed in foster or para-foster care, often because parents could not provide them with basic necessities. Services provided by the Division of Youth and Family Services were disrupted during 1982 due to state reorganization on the one hand and funding cuts on the other. During this period many children were not receiving appropriate attention from the Division. Despite a need for quality foster families and difficulty in recruiting families, foster care and subsidized adoption in New Jersey remains under-subsidized and inadequately supported. New plans for DYFS have been implemented in 1983 and many positive changes have gone into effect.

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*Remarks are based on a total of nine interviews with foster parents. We believe that they are representative, however, because of the high degreee of unanimity. Further inquiry should be undertaken to verify these observations.

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CHAPTER SEVEN

EDUCATION

While education is crucial to ensuring that children become productive, self-sufficient and intelligent citizens, programs aiming to develop these attributes in disadvantaged and handicapped youngsters have never been adequately supported.

- Because of a lack of full funding, only half of the disadvantaged children eligible for Title I Compensatory Education participated in the 1981-82 school year before changes were put into effect. Cuts initiated by OBRA reduced service from a pre-existing, inadequate level.*

- Before the OBRA attempts to reduce funding, two million handicapped children did not yet receive the appropriate special education services they needed and to which they were entitled by law.**

In the mid-sixties and mid-seventies Congress took up the challenge of ensuring quality education and opportunities for learning to all children in the nation. Laws were enacted to open up educational resources to children who were disadvantaged and handicapped, to students in vocational programs and to those for whom English is a second language. As indicated above, the programs were never fully funded nor did they completely carry out Congressional intentions.

Attempts by the Administration in 1981 to fold the programs into Block Grants failed. However, legislation changed provisions in the program aimed at disadvantaged youth, and federal funding levels decreased in every program except that which addressed the needs of handicapped children. In 1983, funding for the program to the disadvantaged was restored to its FY81 level although legislative changes which modified the program were untouched. (See Appendix for expanded description of programs and OBRA measures.)

NEW JERSEY: OBRA AND EDUCATIONAL PROGRAMS

Chapter I

This program (called Title I before changes were introduced by OBRA) was decreased from $82 million in 1980 to $74 million in 1982. Funding rose again in 1983 back to $82 million. The increase is due primarily to the change in the formula by which allocations are made. The U.S. Department of Education had been basing school population figures on the 1970 census in determining appropriations for the program. Ten states (including New Jersey) sued the federal government requesting that they use 1980 census figures instead.

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*Children's Defense Fund.

**Estimate by the General Accounting Office.

The case was won by the states and the government was forced to use the 1980 census as the basis of population statistics. This resulted in an overall gain in state appropriations when a compromise funding formula was struck by which states that had received less under the old formula could be compensated.

Nationally, large urban school districts have lost disproportionate amounts in their funding because previous benefits from the Concentration Grant Program and the Emergency School Aid Program have been eliminated. This last program has gone unfunded since FY82, and has impacted on cities such as Newark and Camden in New Jersey.

Education for All Handicapped Children (P.L. 94-142)

In New Jersey, funding for special education programs from 1980 through 1983, rose from $29.6 million to $34.7 million. This increase in federal aid was the result of an increase in the numbers of children identified as needing special education, not because of any change in the per capita reimbursement. However, state aid for some categorical programs was reduced, in particular, a program for the perceptually impaired. This had direct consequences for many school districts. (See point number six in the Consequences section.)

Vocational Education and English-as-a-Second Language Programs

Following the national trend, the basic vocational education grants have been reduced each year since 1981 - from 18.9 million to 15.4 million in 1983.

In the area of bilingual education, it must be noted that funding goes directly to local districts bypassing state governments. These funds were never meant to be more than temporary supports to enable a program to begin. Permanent funding was expected to be a community endeavor.

New Jersey localities have received less money since the 1981-82 school year. At that time, programs in the state received $1.7 million. In 1982-83, the amount was $1.4 million.

A grant is received by New Jersey from the federal government which enables the state to coordinate, assist and serve as a resource for bilingual programs. It is not clear what the future of these grants and the funding for state projects will be.

The School Lunch Program was cut substantially - 30% on the national level for FY82. Figures as to the state situation were not gathered. However, it is known that the biggest cuts were in the subsidies to the lunches of the "near poor" children.

In the following section are the findings of the interviews with school personnel - administrators, classroom teachers, advocates and parents. It became apparent as the interviews were being completed that the complexity of the funding sources and the number of programs being discussed created a confusing situation. It was difficult sometimes to know which level of government or which program was responsible for actions that were being reported. Those granting the interviews could not always make it clear to the volunteers. Indeed, there were instances in which the respondents themselves did not differentiate between sources of program and funding changes. We have therefore described the findings as relayed to us by the volunteers, with the suggestion that the reader personally look into those points which seem to call for clarification.

CONSEQUENCES*

1. Interviews conducted in all five counties surveyed during the summer of 1982 indicated that hundreds of children in New Jersey receiving remedial education services had either been cut back significantly in services or eliminated completely from programs because of Chapter I budget cuts.

Many schools in the five counties reported decreased funding. Essex, Union and Atlantic Counties appear to have been particularly hard hit for more schools in those areas reported having lost funding than in Hunterdon and Monmouth. This had led to reductions in instructional time given to students, hiring freezes or layoffs of staff, and reduction in supplies. Some schools reported they were increasing the size of classes. In Monmouth County, although several schools reported losing teachers, services were reported to be essentially the same. Hunterdon County schools reported only a small cutback in funding, with school boards often compensating for the lost funds.

In addition, some schools stated that because of new Chapter I mandates, which further restricted eligibility requirements, they were no longer able to instruct children who had been formerly eligible. Here are descriptions from the school interviews:

- In Essex County, 5 of 7 schools surveyed received reduced funding. Schools reported that they were now unable to identify and treat students in a timely manner. A smaller number could be served and there could be no follow-up on students who left the program. Some respondents felt that more experienced teachers would leave because of the poor salary scale.

- In Newark, they were laminating books to hold down the cost of supplies. They anticipated having to cut 1,500 to 2,000 students from the Chapter I program despite the fact that even with full funding they were unable to serve all eligible children.**

- In Atlantic City, 30% of program delivery was eliminated as a result of budget cuts. In addition, instruction time allocated for each student was reduced, a result of the elimination of teachers' aides. The summer school program was also eliminated.

- In Union County, reports indicated that teachers and aides were cut in some schools, instructional time per pupil was shortened in others and the number of students served had declined. While reading remained untouched in one district, the math program was eliminated. Medical services and a parent liaison were lost due to cuts in the district.

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*These findings are for six counties only. In Bergen and Mercer, there were no interviews in education.

**Update: As a result of the litigation, the schools received new funds and were able to keep the students in the program.

- Many remedial summer programs were elminated. Schools in Atlantic, Essex and Monmouth Counties reported that they had cut out or shortened summer education programs for Title I children. A school in Monmouth not only cut the summer school but a summer program for migrant children as well.

The above steps were responses to the elimination of from 10-25% of the Chapter I funding for individual schools. Newark alone expected over $2 million (15%) while Union County as a whole anticipated a loss of 7% in 1982 and another 9% in 1983.

2. Although it was announced late in the winter of 1982 that some Chaper I funds were to be restored, numerous children already were affected. Remedial education programs had been diminished in service and effectiveness in the first half of the 1981-82 school year.*

   Second round Child Watch interviews indicated that many schools saw at least part of their funding restored. Not all schools, however, benefitted.

   - In Essex County, three of five schools that had been cut in funds reported that the decreases were still in force.

   - In Hunterdon, six schools that were cut in the first round did not receive additional funding. Only one interviewed school reported an increase.

   - One school revisited in Monmouth County reported that their funding situation had not improved.

   The process of submitting plans and gaining approval (required in order to receive the compensatory funding) meant that the additional funds would not be available until April, 1983, at the earliest. Therefore, the difficulties arising from the initial funding cuts still existed. Schools were uncertain whether the new funds would be enough to restore programs to their previous levels. Since schools had been forward-funded in the past,** the situation was causing a great deal of confusion, and severely hampered attempts at long-range planning.

   Even though the compensatory funding was good news for the schools, the cuts initiated by OBRA jeopardized the effectiveness of many remedial programs.

   - In Essex County, while some schools indicated that services had not changed, others reported losses of teachers and programs, even with the new increases.

   - In Atlantic City, aides with considerable seniority (some had worked in the system for ten years) were lost due to cuts. They were described as being as "good as teachers."

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*Funds were restored when the states successfully won their lawsuit that required the federal government to fund the program based on the 1980 census figures. See introductory discussion.

**Budgets for the coming school year are based on the Congressional appropriations made the year before in order to allow districts time to develop plans.

When five were lost in one school it was "like losing half of the staff."

3. In many cases, local funds could not make up for federal losses. While some schools (particularly suburban) indicated that local taxes were raised in attempts to offset the Chapter I decreases, many others reported that local budgets had been defeated. Where local funding had increased, administrators warned that such efforts could not continue. In the future, if additional cuts in federal support were made, local funds would not be able to compensate.

   - In Ocean City, Cape May County, cutbacks in Chapter I led to the loss of one teacher. They switched to local funding sources which restored much of the cut funding, but not enough to hire new staff. Administrators observed that children were not yet badly affected, but any further cuts could probably not be covered locally, and program reductions would result.

   - On the other hand, in Monmouth and Hunterdon Counties, several suburban schools expressed full confidence in being supported by local school boards.

4. Large urban districts in New Jersey have been particularly impacted by cutbacks and reductions in the Chapter I program. These cities not only had to absorb initial cuts for the general program, but also lost money specifically targeted for low-income urban areas when the Concentration Grant Program was cut.

   - Newark instructors estimated that there were between 11 and 12 thousand children needing remedial education whom they are unable to serve in existing programs. Second round interviews showed that seven project positions were unfilled, there was a hiring freeze and fewer children could be served in the summer education program.

5. Loss of funds from the Block-Granted Emergency Schools Act adversely affected school districts addressing desegregation issues. Total federal funding was cut. In addition, the State Department of Education developed a formula to distribute the funds which favored poor urban districts over wealthier ones. Montclair lost the most funds with the largest gain going to Jersey City.

   - Montclair, in Essex County, reported losing $800,000 dollars (more than any other New Jersey school district) targeted for their magnet school system.* Adjunct faculty, as well as at least eight home-school liaison workers, were cut. Three administrative positions were eliminated. By the winter, 1982, class sizes had increased and the school psychologist was cut back to one day-a-week. Art and music teachers had also been laid off. But these positions had been reinstated in January, 1983.

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*A school which offers unusual and comprehensive courses in an attempt to attract a racially mixed student population.

6. Many schools interviewed had to reduce services for handicapped children because of funding cuts. Although federal allocations per pupil remained the same for special education programs, with total dollars depending on the number of students identified for special classes, state funding in some categorical aid programs was cut. An important program that was reduced by the state was targeted for perceptually impaired children. This covers a large portion of the children needing special assistance. Beyond federal and state funding, a school might have received less support if the local governments reduced their budget for special needs education.

   - In Monmouth County, five of seven schools interviewed reported cuts in funding. Because of this, several schools lost important personnel including speech therapists, psychologists and aides. One school which lost both a psychologist and speech therapists was concerned about their ability to adequately identify and evaluate handicapped students without these specialists.

   - In Essex County, almost all schools interviewed reported cuts in funding. In Irvington, for example, the grant in 1981-1982 was over $23,000 less than had been anticipated. Funding losses in the county led to cuts in programs, teachers and supplies; constraints on Child Study Teams; and reduced efficiency in the identification of handicapped pupils. At the same time there were fewer CETA placements available for handicapped students in vocational programs. In addition, home-school liaisons which provided training for parents of special needs children were lost as a result of funding cuts.

   - In Newark, where approximately 50% of the school children are enrolled either in special education or compensatory education programs, $300,000 was lost due to cuts.

   - In Union, five of six schools were told of impending cuts. Return visits to two of these five schools confirmed that these reductions had actually occurred. Program for special needs children were affected in many ways: varying numbers of staff were fired; one district had a freeze on hiring; a specialized gym was eliminated; fewer children were treated in summer programs; teaching time for special needs students in the high school was limited.

   - A special State School for the Hearing Handicapped in Millburn, which is a tuition school, had fewer children referred to them for service. Consequently, they received less tuition from local school districts. With enrollment down, and a decreased budget, the program had been restricted.

   - A special school in Atlantic County, serving pre-schoolers with orthopedic problems, had its grant from PL94-142 preschool funds cut. They instituted a tuition charge of $4,000 per child to offset costs.

- In Cape May County, both schools interviewed reported that federal aid had been reduced. One reported both a reduction in the number of school aides and scarcity of needed supplies. Moreover, since there is only limited staff to identify potentially handicapped children, response time is slow. Yet they are unable to hire needed workers to solve this problem.

7. There were some bright spots in the special education picture, where children were receiving improved service and/or innovative approaches were attempted.

   - Two schools in Hunterdon County are participants in a state pilot program designed to foster innovative approaches to special education. Exempt from state regulations, they are able to change the entire structure of their special education program.

   - In Union County, a new vocational school to be used by the handicapped is being built in Elizabeth. (This has opened and serves 360 children a day.) This school was fully funded by federal, state and local governments.

8. There was some dismay expressed over the loss of agencies serving special education pupils to which schools may refer children and their families. Three schools in Monmouth County feared that fewer pupils would be able to get services and stated that Child Study Teams are often unable to find appropriate help for a child because of lack of outside resources/referrals.

9. Considerable apprehension was voiced by parents of handicapped children. They feared revocation of the due process provision (whereby parents could fight for the rights of their children) and also the effect of the budget cuts on mainstreaming projects. Most of the parents who were interviewed were very concerned about the future of these special needs programs, particularly about possible further federal budget cuts. One parent declared that she would lobby extensively against further decreases in programs and funds.

10. Almost all vocational schools that were interviewed were experiencing funding cuts.

   - Newark anticipated a district-wide cut of 25% in its 1892-83 budget for vocational education. The cut was actually 10 percent.

   - In Cape May County, teachers were eliminated, programs with the lowest enrollments were discontinued, backup staff was cut with fewer teachers per student, and the choice of programs were reduced. One teacher was concerned that students would drop out because of the last restriction. However, administrators contended that the admissions standards would remain the same and efforts to attract minority students would not be affected.

   - In Essex County, cuts in funding led to the elimination of a Director of Vocational Education in one district, the limiting of winter and summer programs, freezes on the replacement of equipment, and increases in class sizes. Due to the employment situation, there was less incentive for businesses to hire part-time vocational education students. Small businesses therefore left the program but large companies have maintained participation.

- A special school in Essex County, which provides social-tutorial help to Job Corp trainees, was still serving 8,000 in the first round of interviews. By the second, funding had been completely eliminated. The staff, still available for interviews, was intent on writing proposals with the hope of getting government grants.

- A special school in Atlantic County, offering both vocational and special education to children with orthopedic difficulties, lost its vocational grant. They had to increase tuition to cover the deficit.

11. About two-thirds of the schools that we interviewed with either bilingual or English-as-a-Second Language Programs had experienced a reduction in funding. (As mentioned, funding goes directly from the federal government to the school. The anticipation is that the local school district will pick up the program after the phasing-in period.)

- In Atlantic County, two of three schools were no longer being funded. One stated that 30% ($8,000) of the funding had been lost and staff had decreased from three to one during the school year.

- In Monmouth County, a center serving bilingual pre-schoolers reported reduced funding had led to the elimination of two teachers. The one remaining teacher taught a large pre-school class. The program was very short of supplies and had no funding for training. Fewer CETA personnel were available to assist as teachers aides because of budget restrictions.

- In Union County, Elizabeth received an increase in bilingual funds based on a large number of students , but the programs in other areas were cut. There were fewer in-service workshops for staff and parents. A summer school for refugee children was cut back from four teachers to one, so fewer students were served. When federal funding ended for a bilingual program in a county town with a large Hispanic population, the local board was initially reluctant to assume responsibility for funding the program. By the second round, the school board had begun to compensate for lost funding.

- In Essex County, four of six schools reported cuts in funding, from about $2,000 to over $6,000. One district which had served 26,000 pupils the year before, could only serve 900. Cuts limited the educational experience for children in these programs, with films, field trips and workshops eliminated and classes greatly enlarged as staff was reduced. In one district, the extended day for children in the Federal Refugee Program was shortened considerably. In another, the position of Director of Bilingual Education was eliminated. Many stated that fewer students could be served.

- One school district in Atlantic County with a large Hispanic population emphasized that, although they had received a substantial cut in federal funds, local money has maintained their bilingual program.

12. There were indications in these interviews that migrant children were hurt by decreases in their programming. These reports came from Atlantic and Monmouth Counties, particularly in reference to bilingual education programs and summer Chapter I classes. Since these children are so very vulnerable, more data on their condition should be gathered.

13. Although Child Watch interviews did not specifically survey the impact of school lunch budget cuts, some remarks were given. Lunches were acknowledged to be more expensive, but a few respondents added that the same number of children were participating in the program. School boards were often reported to be supplementing the funding, allowing needy children the opportunity to receive lunches that were lower in cost. However, no specific data on how many boards contributed or how much they gave was collected.

- In Union County, a school official observed in the winter of 1982, that more children in their school were eligible for free lunch at that time.

- In Atlantic County, two schools, one with a large urban population, the other with a sizeable migrant population, reported negative impacts of the cuts. One school had been cut in their breakfast program as well.

- Four schools in Essex County reported negative effects on children due to the cuts in meal subsidy. All these schools served primarily minority, low-income children.

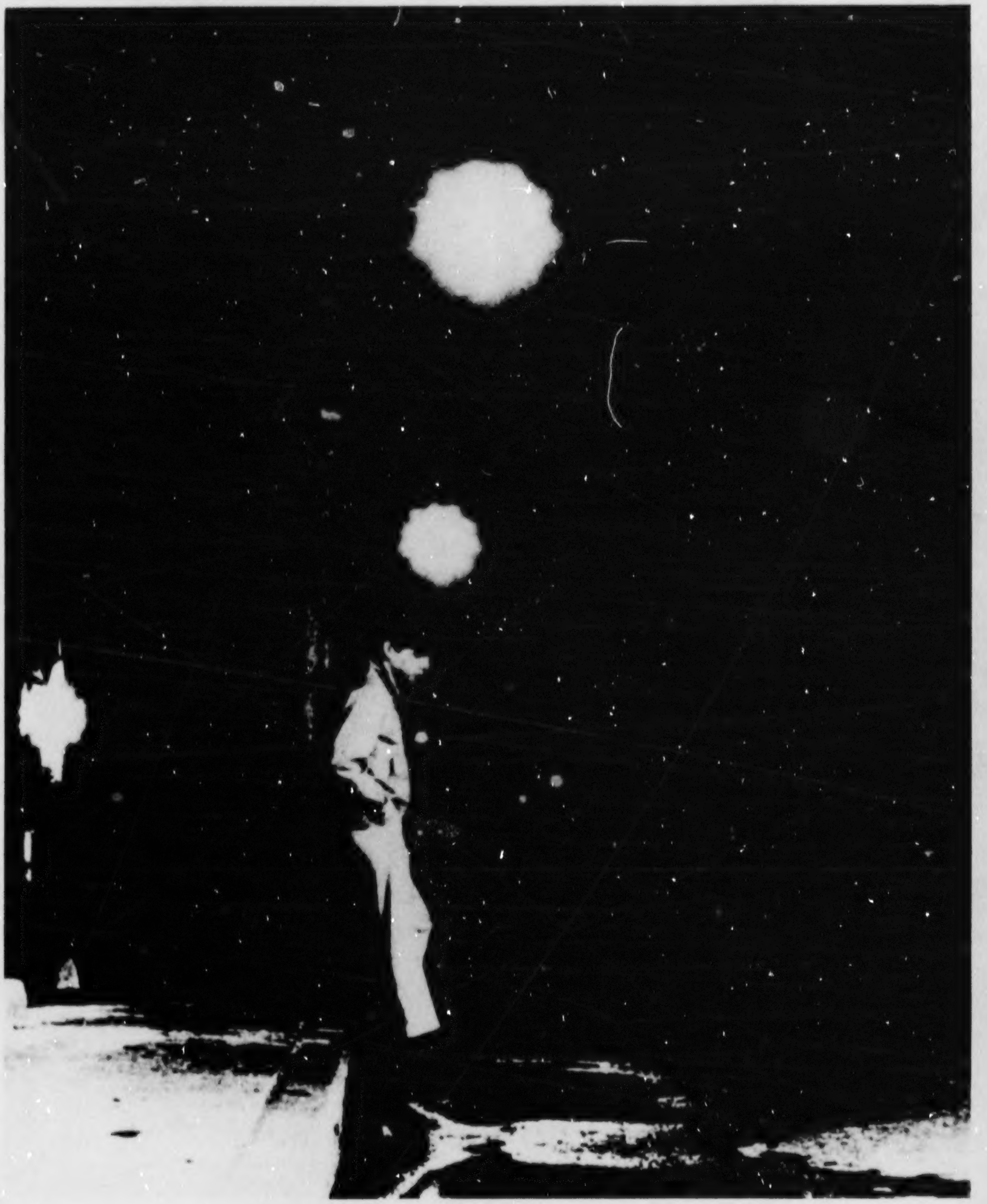
- One school superintendent from Atlantic County felt very strongly about restrictions and cuts in the lunch program:

> "The cuts in child nutrition have been noticed the most. The lunch program is difficult for the poor and the middle-class parents to finance-$1.10 a meal. I wish that those in power would see the necessity of eliminating all of the paperwork, the social embarrassment, and give all the children a good middle-of-the-day meal."

CONCLUSION

Federal funding cuts in Chapter I Compensatory Education for disadvantaged children in the beginning of the 1982-1983 school year had very negative effects on hundreds of New Jersey children. Although a portion of the funding was later restored in early 1983, numerous children suffered through a year without remedial assistance or with programs limited in scope. Special needs children have lost or been limited in the educational help they receive because of cuts in state funding to Special Education programs. Funding restrictions in Vocational Education negatively affected programs serving hundreds of youngsters while about two-thirds of the schools interviewed with either Bilingual or English-as-a-Second Language programs reported cuts.

Migrant and learning disabled children were particularly hard hit, as were children from large urban areas. While many local school boards attempted to raise funds to compensate for those losses, they stated that they were unable to do so fully, and anticipated difficulties if they would be called upon to compensate for federal and state funding cuts in the future.



CHAPTER EIGHT

JUVENILE JUSTICE

In recent years, there has been a decrease in juvenile justice programs aimed at prevention, although many individuals working in the area continue to believe strongly in this approach. They emphasize the fact that very often youngsters in trouble with the law have had histories of prior difficulties, both psychological and educational. Failure to address these problems in the school and the community ultimately result in anti-social actions that propel the child into the juvenile justice system. Programs that are diversionary in nature,which serve to deflect youngsters before they enter the court system, are more humane for the child and can serve to cut the costs to society both immediately and in the long-term.

JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT

The major effort on the federal level to deal with juvenile crime, particularly delinquency, was the Juvenile Justice and Delinquency Prevention Act of 1974. The primary thrust of the legislation was prevention. It aimed at diverting juveniles from the traditional juvenile justice system and providing alternatives to institutionalization. The program has been found to be successful by many indices, stimulating new programs aimed at preventing juvenile crime and delinquency and encouraging changes in the legal structure. It was effective in reducing the number of status offenders and non-offenders held in detention facilities and the number of juveniles held in adult jails.

Moves by the Administration in 1982 to eliminate all funding for the Act reflected both a desire to cut costs and also to do away with federal involvement since the Administration felt that the juvenile justice area should be a local responsibility. From what is known about the thrust of current thinking on juvenile justice by many states as well as the limitations of state budgets, it appears that the emphasis on prevention might be greatly reduced if these efforts should be successful. Although Congress did not accept the proposal to abolish funding altogether, support was reduced from $100 million in FY1981 to $70 million in both FY1982 and FY1983. (See Appendix for a more complete description of the program and OBRA cuts.)

NEW JERSEY: JUVENILE JUSTICE AND RESULTS OF OBRA

Background of the Juvenile Justice System

In New Jersey, the 1974 Juvenile Code identifies two different classes of children (those under the age of 18) who fall under the auspices of the state juvenile justice system, namely Juveniles in Need of Supervision (JINS) and Juvenile Delinquents. The first are defined as children who have committed acts which would not be illegal if committed by an adult, such as running away, being habitually disobedient to parents or habitually truant from school. The second category, delinquents, is defined as youngsters who are charged with committing acts which, if committed by an adult, would be a criminal law violation.

The primary philosophy of the New Jersey juvenile justice system is that children need more special attention from the court system than adults. Thus, a major emphasis of the court is to take a protective, preventive and, when necessary, rehabilitative stance in determining how to handle a delinquent or JINS child.

The system itself is very complex. Many judicial, law enforcement, correctional and child welfare agencies are involved. Private agencies are also utilized in offering services to juveniles who have come into contact with the formal juvenile justice system. There is a great deal of variation regarding the agencies and services which are made available for juvenile offenders. As a result, counties and municipalities differ substantially in the nature of the dispositions made, and the corollary services used by these youngsters in the community.

Funding for the juvenile justice system comes from numerous sources. Counties are primarily responsible for the detention facilities and JINS shelters used for temporary placement of children in the system, as well as for funding the local law enforcement and judicial agencies. Title XX funds are used to support many services to young offenders and are administered by the Division of Youth and Family Services (DYFS) and the Division of Mental Health. In addition, funds from the Juvenile Justice and Delinquency Act (JJDP) are administered through the State Law Enforcement Planning Agency (SLEPA) which contracts with community programs to provide services.

JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT

As stated above, SLEPA contracts with many programs in New Jersey communities. Among these are the Youth Service Bureaus that provide preventive and interventive, non-residential programs for troubled youngsters. Funds from this source also are used to monitor shelters and facilities for children; to improve the juvenile court and probation services, and as a result of OBRA, provide community alternatives to incarceration. New Jersey lost $692,000 for this program, going from $1,992,000 in FY1981 to $1,300,000 in FY1982. In FY1983, the New Jersey program again was cut, receiving $1,249,000 or $51,000 less in funding.

Title XX

This program, providing funds to a host of social service efforts throughout the state, is also involved in delivering services to trouble-prone youth. Counselling, Youth Services and Legal Services are all programs financed through Title XX funds. When New Jersey's federal funding for Title XX was reduced by $20 million to $77 million for FY1982, each of these programs was significantly cut.*

Along with decreased funding, services provided through Title XX are threatened by changes in the regulations which resulted from OBRA mandates. When these services were included into a Block Grant, the federal government removed requirements that the states provide matching funds, and also greatly broadened their discretionary power in deciding where the funds are to be spent. In New Jersey, for example, one program that suffered as a result monitored children on parole from state correctional facilities, assisting in the coordination of services and helping obtain educational and employment opportunities for them. Funding

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*An additional $5 million has been added to the Social Services Block Grant as a result of the recent Jobs bill.

which had been granted by Title XX funds was eliminated following the OBRA legislation. (See Appendix for description of Title XX.)

Latest Developments

In 1982, New Jersey enacted a new juvenile justice code. One of its main thrusts was the establishment of juvenile crisis intervention units in the various counties, each one operating as part of the court intake service or as directed by the county. The units are designed to stabilize the family situations of juveniles in trouble before court disposition although a mechanism is carefully spelled out for court action respecting the juvenile's rights should the crisis continue. A second portion of the legislation sets up a blueprint for the planing of youth services in the counties under the jurisdiction of the Family Court. These county plans are expected to be comprehensive and designed to meet the needs of juveniles within the particular counties. As of this date, the plan is just beginning to operate and is too new to evaluate.

CONSEQUENCES

1. Budget cuts have seriously affected community-based programs offering a variety of support and preventive services for children who are involved, or at risk of becoming involved, with the courts. In every county, interviews told of specific cases of decreased funding that had led to reduced services. Agencies involved were Youth Service Bureaus, counselling agencies and mental health clinics. In some instances, whole agencies had been closed. Those that continued had either reduced personnel, terminated portions of their programs or reduced service in various ways. Also, since many of these services had been diversionary in character, keeping children out of the court system, police officers and advocates reported that such programs were becoming much more difficult to operate. Viable programs dealing with adjudicated delinquents, such as the Volunteers in Probation, experienced cutbacks as well. While some of these reports came from the agencies themselves, others came from remarks made by the police, probation officers and judges who stated that they have fewer appropriate programs in the community to which they can refer juveniles.

   Community services for juveniles were additionally restricted as grants from SLEPA ran out following the budget cuts. In many cases these grants had supported highly effective programs such as Youth Service Bureaus (YSB) and counseling for paroled youngsters and their families. The grants had been awarded with the understanding that upon termination of funds, local sources would continue the funding of those programs that had proved successful. Unfortunately, because of budget cuts and the general economy, many local sources could not continue support. As a result, many of these valuable projects are folding as their grants end.

   - In Essex County, an agency which counsels youths and families reported cutbacks in multiple areas. They were forced to reduce staff but those remaining were very dedicated and assumed heavier workloads in order to continue providing services to the children and families they were assisting. At the same time, the pressures of this heavier load were affecting staff, so that burnout was becoming more and more of a problem.

- Bayshore Youth Services, in Monmouth County, received a serious reduction in funding due to budget cuts. They were forced to reduce their youth worker program by 50%, and, additionally, to reduce their outreach program. Training was also dropped, despite a need for and success of, programs of this type.

- A member of a Monmouth County Juvenile Justice Conference Committee noted numerous cuts affecting services for children in the juvenile justice system. A significant loss was the closing of the Middletown Youth Service Bureau which was cited as being an excellent referral source as well as a competent agency for providing early intervention services. This Bureau was continued for a while with other resources when its SLEPA grant ended. However, alternate sources of funding could not be found to continue to maintain the project.

- A Union County juvenile officer reported great concern about the loss of the Rahway Youth Services Bureau to which juvenile referrals had been made. Funded by SLEPA, this agency folded when the grant expired.

- Mental health service providers in some counties reported losing SLEPA grants which funded free referral and counselling services to juveniles on probation and their families. Despite the success and usefulness of these programs, new funding sources could not be found. As a result, fewer children on probation were receiving individual and/or family counselling, since they are less willing and/or able to pursue therapy for which they were required to pay.

- Probation officers and court personnel in Union, Hunterdon, Essex, Atlantic and Bergen Counties all reported that the budget cuts have caused service curtailments and that it is more difficult to place young probationers in treatment, educational and vocational programs. One probation officer reported that the effectiveness of treatment programs and JINS is not as lasting as it should be because rehabilitation and therapeutic services are increasingly difficult to find.

- Several Atlantic respondents including a judge, commented that recent cuts caused the elimination of an Adolescent Treatment Unit which had been part of Atlantic Mental Health. Citing this unit as.."the single most effective tool available to the court..," they all felt that its loss would result in fewer services being offered juveniles, an overburdening of other agencies, and a decrease in diversion programs from the court. They anticipated a rise in the recidivism rate.

Respondents also commented that many of the programs that had been eliminated or reduced were providing services aimed at the special needs of this troubled population - alcohol or drug abuse programs, special mental health services and employment/job training programs. Providers throughout the system mentioned that these services were notably lacking in their communities, although the programs had proven to be very worthwhile while they were in operation. Although some agencies reported receiving new money to develop programs addressing these issues, the overall impression is one of serious reduction due to budget cuts.

- In Newark, where youth unemployment and crime are serious problems, a community agency lost funding which caused them to cut back a successful vocational training program from 54 to 15 people.

- Several agencies that work with children having drug problems reported severe cutbacks in multiple areas of service. Funds for programs set up to work with children who have problems with marijuana were cut in half by the state.

- At the Irvington Youth Center, in Essex County, they report that further cuts in the CETA program would have the most negative affect on the youth with whom they work. This respondent felt that CETA training was very effective, telling of one youth who had been counselled by the Center several years earlier and had received training in roofing, now doing well in that vocation. To this respondent, youths aged 16 and older, particularly those not in school, appear to be among those hardest hit by budget cuts.

- A Monmouth County parole officer reported that the closing of Chelsea School as a residential center caused very real problems in working effectively with juveniles. This is exacerbated by additional cuts in drug and alcohol programs for children, and a general lack of resources for people working with juveniles.

- In Bergen County, a probation officer mentioned that federal budget cuts have resulted in the institution of a fee for services in drug programs used for referral,which many youth cannot afford.

2. Overcrowding at JINS shelters and detention facilities was reported on many interviews. Also, Arthur Brisbane Child Treatment Center and Turrell Residential Center reported serious overcrowding in their facilities. These comments came from respondents in three counties, from judges, workers at the centers and advocates. In addition, there were many reports of children being kept longer at the centers. These reports came from the same sources in five counties. Reasons for this phenomenon were lack of facilities to which children could be sent and/or the inability of DYFS to place children in a timely fashion. In addition, there was a severe absence of community programs to which youngsters who could function in the community could be sent.

   Another problem which was described was inappropriate placement of youngsters. Examples were children who were held in detention longer because of the lack of treatment facilities (psychiatric, and residential). In some JINS shelters, there had been a striking change in population. Children exhibiting seriously distrubed behavior or having much more serious problems were being kept with a population that was less troubled. Comments on this situation came from four counties.

   The following comments are representative:

- In one county, both the JINS, detention and two treatment centers were reported to be overcrowded. While this was partially due to the closing of a adolescent unit at a state psychiatric hospital, it was also the result of the curtailment or closing of other JINS shelters. (In particular, a shelter in a nearby locality had been recently closed.) By December, 1982, youngsters in detention were reported to be sleeping in the gym on borrowed mattresses. The JINS shelter had cared for 100 more youngsters than the year before.

- In Essex, it was reported that DYFS was no longer able to place many youngsters coming from the courts in residential programs. Because of this, children are often detained in detention centers for long periods of time before treatment placements can be found for them.

- One JINS shelter reported that the lack of resources in the community is resulting in overly extensive stays in the shelter for children who should not be there.

- Another youth shelter mentioned that cuts in Planned Parenthood caused them to cancel the Family Life program they had been operating. Several counties reported an increase in the number of pregnant adolescents and teenagers coming into JINS shelters.

- In one county, it was reported that the JINS population had changed - children with serious problems and more seriously disturbed were being housed in the shelter. Interviewees emphasized the need for facilities to treat emotionally disturbed juveniles who had committed offenses.

- In another county, inappropriate placements were reported in three of four facilities interviewed. In a correctional facility for less serious female offenders, more violent and serious offenders were placed. The last round indicated that many were pregnant and should have been in therapeutic, rather than correctional situations. JINS had an increasing number of serious offenders. Drug, alcohol and serious mental health problems were exhibited.

3. The lack of appropriate residential facilities for children and youngsters who must be placed out of their homes is at the heart of the problems listed above. This is due, in large part, to state policy which has attempted to decrease the number of out-of-home placements and increase support services in the community. The courts and law enforcement personnel, however, report that lack of appropriate residential programs for children combined with cutbacks in community resources for youngsters has severely limited their discretion in placing children who come into the juvenile justice system. Several respondents noted that children placed inappropriately, or released to their parents without receiving necessary treatment, often become recidivists, returning to the juvenile justice system with much more severe problems.

Lack of long or short term facilities for those with alcohol or drug problems has particularly impeded effective treatment. This situation had been aggravated by federal budget cuts in the health area (under whose funding most drug/alcohol programs fall). The prioritization of health services in the state, necessitated by a reduction in funding, has caused cutbacks in this particular problem area. Chelsea School in Monmouth County, which was the only state facility which offered long-term residential treatment for children with alcohol or drug problems, was closed in the autumn of 1982 as a result of budget cuts. It reopened eventually, serving as a day treatment facility only.

- One Office of the Public Defender stated that although a judge may agree with a recommendation to place a juvenile in the least restrictive setting, too often these alternatives are unavailable. As a result, more juveniles are being placed in detention centers and spending more time awaiting placement.

- As facilities are reduced or shut down, the JINS shelter in Bergen County has found it increasingly difficult to handle the numbers of children referred to them. Many juveniles are returned to their families only to return to the shelter. One respondent anticipates that children in JINS will be spending increasingly long periods of time in the shelter as they compete with a growing number of youths for a diminishing number of residential treatment slots.

- A juvenile court judge observed that there are sufficient types of programs but not nearly enough of them. The judge reported that lack of facilities in general was a major constraint in the most effective handling of youngsters. In particular, he stated (and this was corroborated by several responses) that there is a need for a juvenile center offering treatment for sex offenders.

- Various personnel in different counties expressed concern that more and more youngsters who are not ready will have to be returned home as residential placement options dwindle.

4. Because of budget reductions (which meant reduced staff and larger caseloads) and state reorganization, DYFS was less able to arrange for the appropriate and timely placement of juveniles who were out of their homes. Reports that indicated this was a problem came from the courts, provider agencies, shelters and detention facilities.

   - A juvenile court judge reported that due to cuts as well as the state-imposed hiring freezes, DYFS workers were unable to properly service the number of juveniles needing placement. In addition, he noted that it was increasingly difficult to process and obtain evaluations. This resulted in delay and overcrowding.

   - One respondent from a county JINS shelter observed that the increased constraints on DYFS workers forced them to focus their time and resources on abuse cases. As a result, they were less responsive to the needs of children in the shelter awaiting placement.

   - One boy had been placed in a JINS shelter for a non-serious complaint by his parents who would not take him back. Lack of community services, combined with the lack of response from DYFS workers, resulted in this child staying in the JINS shelter for six months.

- A provider agency in Mercer County reported that cuts had definitely affected DYFS. When this agency made new referrals, DYFS was either slow or unable to respond and service the cases.

- A juvenile intake worker in Monmouth County also commented that cuts were felt drastically by DYFS. Two branch offices have been closed and levels of service have dropped due to lack of money.

5. Cuts to programs providing income maintenance (such as AFDC and SSI and income subsidies such as food stamps and Medicaid) have seriously affected many already volatile family situations. The resulting stress and family break-up is one of the underlying reasons why an increasing number of disturbed children enter the juvenile justice system.

    - One staff member of a Mercer County police department reported that multiple cutbacks in a variety of services have put children and families under tremendous stress. This situation is aggravated by unemployment and cuts in training programs. Resulting pressures and anxiety are causing situations in which more children are getting into trouble.

    - A Monmouth County provider reported that her agency is seeing a marked increase in the number of "tough, sick, emotionally disturbed children..." because economic factors, including budget cuts, have lead to worsened conditions in their homes.

6. The loss of the Law Guardian Program of the Office of the Public Advocate in New Jersey has eliminated skilled knowledgeable counsel for abused or neglected children. Respondents from many counties reported that private attorneys who were expected to voluntarily compensate for this loss often lacked the time, experience and knowledge necessary to provide this much-needed service for vulnerable children. Several of the juvenile court judges strongly recommended the reinstatement of the Public Defender as Law Guardian.

    In Cape May County, it has been reported that a Guardian Ad Litum Program (GAL) has taken over and is proving to be better than the Law Guardian personnel used in the past. This is the report of DYFS staff directly involved with the court cases. The interest and involvement of the GAL who is assigned is more positive and it is believed that children are being better represented than in the past.

CONCLUSION

Children at risk of involvement with the juvenile courts have been jeopardized by cutbacks in, or elimination of many community-based support and prevention programs. There is a lack of alternative programs - both residential and out-patient for children who are experiencing difficulties at home or in the community. There is serious overcrowding in JINS shelters and detention facilities; children are being kept longer because of a lack of treatment facilities in which they can be placed. JINS populations have changed in many shelters composed of children exhibiting behavioral disturbance or more serious problems.

Cuts in AFDC and other income subsidy programs have seriously affected many already volatile family situations. Problems at DYFS in 1982 negatively affected the quality and timeliness of services to both children and the courts. Loss of the Law Guardian program eliminated skilled, knowledgeable counsel for children.

FOOTNOTES

Introduction

1. The demographic information about children and the comparison of benefits to total spending come from testimony given by Alice M. Rivlin, Director of the Congressional Budget Office, before the Select Committee on Children, Youth and Families, U.S. House of Representatives, April 18, 1983.

Chapter One

1. National Social Service and Law Project, *The Cost of an Adequate Living Standard in New Jersey*, Washington, D.C., November, 1980, p. 15.

2. Under Secretary David B. Swoap, Department of Health, Education and Welfare, *The New York Times*, May 5, 1981, p. B15.

3. For additional current information on the impact of budget cuts on the well-being of New Jersey children and parents, read: Kenneth Kessin, *Report II: Impact of Discontinuance on AFDC Recipients: A Study of Autonomous and Redependent Clients*, Monmouth County Board of Social Services, Freehold, N.J., 1983.

Chapter Two

1. Nicky Gonzalez and Edith Treviso, "Child Care: A Critical Need," *Youth Law News*, Vol. 111, No.2, May-June, 1983, p. 1.

2. *Day Care and the Working Poor: The Struggle for Self-Sufficiency*. The Community Service Society of New York, N.Y., 1982.

Chapter Three

1. Statistics from *Paying Children's Health Bills*, Wendy Lazarus; to be published by the Children's Defense Fund, Washington, D.C.

2. "Children's Deaths in Maine, 1976-1980", State of Maine, Department of Human Services, 1982.

Chapter Six

1. National Committee for Prevention of Child Abuse, *Prevention Focus: Incidence of Child Abuse Climbing. Working Paper 008*, Available from the above, 332 So. Michigan Avenue, Suite 1250, Chicago, Ill.

NUMBER OF CHILD WATCH INTERVIEWS BY COUNTY, SECTION AND ROUND

CHILD WATCH INTERVIEWS: ROUND I, SPRING-SUMMER, 1982*

COUNTY	AFDC	CHILD CARE	CHILD HEALTH	W I C	MENTAL HEALTH	CHILD WELFARE	EDU-CATION	JUVENILE JUSTICE	TOTAL
Atlantic	3	7	4	0	4	6**	20	5	49
Essex	23	20	18	3	6	6	62	21	159
Hunterdon	6	4	18	1	0	7	21	13	70
Monmouth	5	12	2	1	2	7	30	24	83
Union	9	13	11	2	4	13	40	8	100
TOTAL	46	56	53	7	16	39	173	71	461

CHILD WATCH INTERVIEWS: ROUND II, WINTER 1982-1983

COUNTY	AFDC	CHILD CARE	CHILD HEALTH	W I C	MENTAL HEALTH	CHILD WELFARE	EDU-CATION	JUVENILE JUSTICE	TOTAL
Atlantic	3	0	4	0	0	3	12	0	22
Bergen	8	8	8	2	11	11	0	16	64
Cape May	17	6	1	0	9	6	13	9	61
Essex	14	23	19	1	7	7	61	19	151
Hunterdon	10**	2	7	1	0	4	16	11	51
Mercer	7	12	5	1	6	7	0	13	51
Monmouth	10**	12	8	1	2	8	7	14	62
Union	13	13	12	2	4	9	13**	4	70
TOTAL	82	76	64	8	39	55	122	86	532
GRAND TOTAL (ROUNDS I AND II)									993

*Bergen, Cape May and Mercer Counties were not included in the first round of interviews
**Indicates presence of a group interview.

1983 FEDERAL POVERTY INCOME GUIDELINES*

SIZE OF FAMILY UNIT	POVERTY GUIDELINE
1	$ 4,860
2	$ 6,540
3	$ 8,220
4	$ 9,900
5	$11,580
6	$13,260
7	$14,940
8	$16,620

For family units with more than 8 members, add $1,680 for each additional member.

*Excluding Alaska and Hawaii
Source: The Federal Register.

THE AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC) PROGRAM AND CHANGES AS A RESULT OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1981 (OBRA)

Aid to Families with Dependent Children (AFDC) is a federal entitlement program providing direct cash assistance to children of low-income families. The program is financed and administered cooperatively by state and federal governments. Categorical eligibility requirements are established by federal law. These require that children up to age 17 and their caretaker relative are eligible if the child is in need and has been deprived of parental support because one of their parents is either absent from the home or incapacitated. States may not apply eligibility criteria any narrower than these federal requirements. However, the determination of who is in need is established by individual states and is called the state's "standard of need." Children in families with earned income may be eligible for a partial AFDC grant if the family meets state financial standards. In addition, the size of the grant is also based on state determination, although federal law sets out a formula which must be used in determining how much of the earned income can be used against the family in deciding whether they are eligible and how large a grant they will obtain. Thus, in two areas the states have almost complete freedom from federal requirements. They set their own "standard of need" (deciding who is needy) and can choose among several options as to groups that are eligible for the AFDC program. In some states, children in intact families where the breadwinner is unemployed or underemployed and children over 17 who are still in certain school programs may be covered. States also determine the levels of cash assistance and how much families receive each month. In some states, the cost of shelter may be taken into consideration. Actual benefit payments are based on family size and any income they may have. Therefore, AFDC programs vary widely among states, and families in different locations receive widely varying benefits.

The U.S. Department of Health and Human Services administers the program at the federal level. On the local level, county or state welfare officials enroll families and maintain contact with them to ascertain continuing eligibility and make adjustments in the benefit levels.

I. Changes in Determining Eligibility and Benefit Levels

Families without any income receive full AFDC benefits. However, working families have been affected by changes instituted by the Omnibus Budget Reconciliation Act of 1981. This legislation modified the formulas determining both eligibility for the AFDC program and benefit levels, making them much more stringent.

a. Determining Initial Eligibility

Prior to OBRA, calculating AFDC eligibility involved subtracting the family's work-related expenses, including child care expenses (the work-related expense disregard), from their monthly net income. If this "total available income" was less than the state's standard of need (See Glossary), the family was eligible for AFDC.

The new formula for determining eligibility is based on the family's gross income. In addition, the earned income tax credit (See Glossary) is added to the family's gross monthly income.* If this total is less than 150% of the State's standard of need, the family is eligible for benefits.

b. Determining Grant Size

Once a family is determined to be eligible for AFDC, another formula is used to calculate the size of the monthly grant. This formula is based on earned income disregards. In other words, deductions are taken from the family's monthly earned income, and the grant size is based on the remaining available income.

The pre-OBRA formula began by subtracting $30 from the family's monthly net income. An additional 1/3 was subtracted from the remainder. (This is called the "$30 and 1/3 work incentive disregard"- that portion of the family's earned income that can be kept without reducing the grant size. It had been instituted as a work bonus.) Work-related expenses were then subtracted as follows: first, all child care expenses, then all other expenses such as transportation, taxes, uniforms, etc. Any unearned income was then added to this amount, resulting in the family's "total available income." The monthly AFDC grant was the difference between the "total available income" and the maximum benefit (according to the size of the family) as determined by the state. In short, net income was used as the base, work incentives were subtracted followed by the subtraction of work-related expenses. The sum was then subtracted from the maximum benefit to arrive at the monthly grant.

OBRA changed this formula considerably. Now the monthly earned income tax credit is added to the family's gross monthly income. Then the work-related expenses are subtracted. However, a cap has been placed on these expenses so that no more than $160 per child per month can presently be deducted for child care, and no more than $75 per month can be disregarded for other expenses. The "$30 and 1/3 disregard" is then subtracted from the remainder. (Note that by subtracting the "$30 and 1/3 disregard" after the "work-related expense disregard," the family keeps a much smaller proportion of earned income than previously.) Any unearned income is then added, and the result is the family's "total available income." This amount is subtracted from the maximum monthly benefit to determine the size of the family's grant.

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*States must now assume that a working family eligible for an Earned Income Tax Credit receives that amount as monthly income - whether the family actually receives the credit or not.

Another important change in this formula is the fact that the "$30 and 1/3 disregard" can only be applied for the first four consecutive months of employment. After four months, the family's grant is reduced dollar-for-dollar for every dollar earned (except for work-related expense disregards). In short, the gross income is now the base, the order of deductions has been changed, there is a cap on work-related expenses, and the work incentive is sharply curtailed. (For an example of how these changes may affect eligibility and benefit levels, see Appendix C2.)

II. Retrospective Budgeting

A new system of calculating eligibility for the program and the monthly AFDC grant, called retrospective budgeting, has also been instituted. AFDC families with earned income and/or16 or 17 year old children receiving wages are required to mail in monthly reports of their earnings and expenses with proof (e.g., rent stubs). Because of the complexity of this new system, a family's monthly benefit is not based on the income of the present month but on their income two months previously. For example, a family's June income would be reported in July and used as the basis for their August benefit.

III. Termination of 18-20 Year Olds

Prior to October, 1981, New Jersey had provided AFDC support for older children (aged 18-21) who were attending school, including college students. That option is now limited to adolescents under the age of 19 who are full-time students in high school or vocational training programs, which they can reasonably be expected to complete before they turn 19.

IV. Lump Sum Payments

Treatment of 'lump sum' payments (See Glossary) was also changed. Previously, the AFDC client became eligible again for normal monthly grants as soon as the 'lump sum' was spent. The sum is now pro-rated, i.e., calculated to extend over a certain number of months. The clients will not receive monthly payments until that pre-determined period of time is over, regardless of whether or not they have depleted the income.

AFDC BUDGET EXAMPLES

AFDC calculations involve a two-step process: first, determining whether an applicant is initially eligible, and second, determining the size of the grant to which the family is entitled. The following budgets show how these computations are presently made, and how they were made before the AFDC changes in the Reconciliation Act.

These budget examples assume that the applicant, a mother with three children, earns $400 per month for full-time work. She has one child in day care, which costs $110 per month, and other work-related expenses of $100 per month. She is applying for benefits in a state where the standard of need for a family of four is $263 per month, and the maximum benefit for a family of four is $237 per month. The family also receives food stamps.

1. Determining Initial Eligibility

A. Pre-Reconciliation Budget

Total Income	$400
Work-Related Expenses	
a. Child care (up to actual cost)	-$110
	$290
b. Other (up to (actual cost)	-$100
= Total Available Income	$190

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Standard of need** for a family of 4	$263
-Total available income	-$190
	$ 73

Because the family's total available income is less than the standard of need, the family is eligible for AFDC.

B. Post-Reconciliation Budget

Total Income	$400
+ Earned Income Tax Credit*	+$40
= Total Income	$440

****

Standard of need** for a family of 4	$263

Because of the October, 1981 changes, the family is now ineligible since its total income before deduction of work-related expenses is greater than 150% of the state's standard of need ($263x150%=$394.50).

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*After Reconciliation, states must assume that a working family eligible for an Earned Income Tax Credit receives that credit as monthly income - whether the family actually receives the credit or not.

**In determining eligibility, states may choose to use either their standard of need or their maximum benefit level.

II. Determining Size of Grant

A. Pre-Reconciliation Budget

Earned Income	$400
- $30	-$ 30
= Remainder	$370
- 1/3 of Remainder	-$123
=	$247
- Work-Related Expenses	
a. Child care (up to actual cost)	-$110
	$137
b. Other (up to actual cost)	-$100
	$ 37
+ unearned income	+$ 0
= Total available income	$ 37
	====
***************	
Max. Benefit for 4	$237
- Total available Income	-$ 37
Amount of AFDC Grant	$200

B. Post Reconciliation Budget

Earned Income	$400
+ assumed receipt of monthly earned Income Tax Credit	+$ 40
=	$440
Work-Related Expense	
a. Child care (up to $160 per child)	-$110
	$330
b. Other (up to $75)	-$ 75
	$255
- $30 disregard	-$ 30
= Remainder	$225
- 1/3 of Remainder	-$ 75
=	$150
+ unearned income	+ 0
= Total available income	$150
	====
***************	
Max. Benefit for 4	$237
- Total available Income	-$150
Amount of AFDC Grant	$ 87*

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*Under a post-Reconciliation budget, this family appears to be eligible for a grant of $87. In fact, the family is ineligible for any grant. Its total income, before deduction of the standard work-related expenses and $30 and one-third work incentive disregards, is greater than 150% of the state standard of need. Even in a state with a higher standard of need, the family would soon lose its grant because after four months, the family would lose the $30 and one-third disregards. Its total available income would then be $225, higher than the maximum benefit, and the family would lose its $87. Pre-Reconciliation, the family could claim the $30 and one-third disregards as long as it had earned income and remained on AFDC.

Appendix C3

DETERMINING A.F.D.C. ELIGIBILITY

150% of the Standard of Need in New Jersey*

Number in Eligible Unit	Monthly Income Eligibility Level*
1	$206.00
2	$410.00
3	$540.00
4	$621.00
5	$702.00
6	$783.00
7	$864.00
8	$945.00

*Individuals with income above this sum are not eligible for AFDC Assistance.

Appendix C4

COST OF LIVING COMPARISON TABLE: Compares maximum benefits of an AFDC-C family (one-parent families) with federal poverty guidelines and average minimum cost of living expenses in New Jersey.

Family Size	Maximum Yearly Food Stamp Benefits	Maximum Yearly AFDC Benefits	TOTAL Maximum Yearly Benefits	Official Federal Poverty Guideline [1]	Average Adequate Cost-of-Living In New Jersey [2]
2	$ 1,404	$ 3,276	$ 4,680	$ 6,540	$ *
3	$ 1,812	$ 4,320	$ 6,132	$ 8,220	$ 8,705
4	$ 2,172	$ 4,968	$ 7,224	$ 9,900	$12,130
5	$ 2,628	$ 5,616	$ 8,244	$11,580	$ *
6	$ 3,144	$ 6,264	$ 9,408	$13,260	$ *
7	$ 3,420	$ 6,912	$10,332	$14,940	$15,681
8	$ 3,912	$ 7,560	$11,472	$16,620	$ *

1. U.S. Department of Health and Human Services; Annual revision of poverty income guidelines, February 17, 1983.
2. National Social Science and Law Project, The Cost of an Adequate Living Standard in New Jersey, November, 1980. It should be noted that this cost of living estimate was based on survival expenditures in 1980. These figures, unlike the poverty level guidelines, have not been adjusted for inflation. Actual cost estimates for 1983 are undoubtedly higher.

* Figure missing for this family size.

Appendix C5

Study of Middlesex County Families Whose Welfare Grants Were Terminated As A Result of OBRA
Interim Report - May 7, 1983

Prepared By
The Research Center, School of Social Work,
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Isabel Wolock, Ph. D., Associate Director

Description of Study

This study was undertaken as a joint effort of the Middlesex County Board of Social Services and the Rutgers University School of Social Work Research Center in order to learn what happened to families living in the county whose welfare grant had been terminated as a result of the Omnibus Budget Reconciliation Act of 1981 (OBRA). Using random sampling, 234 names were selected from the 688 welfare families who had their grant terminated in October, 1981 and February, 1982. We were able to obtain interviews with 129 or 55% of these families. Money was made available by the University to pay each respondent $10 for participation. Students in the Master of Social Work program conducted the interviews during the summer of 1982.

Reasons for Termination

The majority of families interviewed (55%) lost their grant because their incomes exceeded the 150% state level of need. Fourteen percent were no longer eligible because of the loss of disregards and slightly more than a quarter (26%) because their youngest child became 18. For the remaining 5%, both the loss of disregards and the youngest child becoming 18 were reasons for termination.

Characteristics of the Families

All but two of the respondents were women. Ninety-one percent were one-parent families. In 25% of the families, a member of the extended family lived with the mother and her children. Over two-thirds (69%) of the families had at least one child under the age of 18. The average number of children under 18 was between one and two (mean of 1.3). Thirty percent of the families had children six years old or younger. Forty-seven percent of the respondents were white, 36% black, and 14% Hispanic. Forty-four percent of the respondents were high school graduates; more than a third (35%) had fewer years of schooling and 15% attended or completed college. Respondents' ages ranged from under 19 to over 50; nearly half (47%) were 40 or over. Twenty-one percent of the families lived in New Brunswick, 17% in Perth Amboy, and the remaining families resided throughout the rest of Middlesex County.

Economic Information

An examination of the ratio of the average income to the average expenditures shows that most of the total income of these families goes to rent and food, with little left for such necessities as medical care, child care, utilities, and transportation. The average total income from all sources was $580 per month ($6,960 per year). On the expenditure side, the average amount spent for rent was $263 per month or 45% of the average total monthly income and $234 for food, or 40% of the average total income. This leaves just 15% for other vital expenses.

Employment

Approximately two-thirds (68%) of the former recipients were working at the time of the interviews. Their average weekly pay was $133. More than three-quarters were employed in low income jobs, such as waitresses, cleaning women, assembly line workers, and clerks. For most respondents (78%) these were the same jobs that they had while they were receiving welfare. However, more than a third (37%) were forced to work more hours than they had while on welfare and/or nearly a quarter (24%) had to take on an extra job. Two-thirds of the working mothers needed some type of child care which, on the average, cost $121 per month. A majority (59%) indicated that child care expenses became very burdensome after they lost their welfare grants.

Problems Experienced by the Families

Food, Clothing, and Shelter. The families encountered severe hardship in most basic areas of living. Forty-six percent stopped receiving food stamps when their benefits stopped; only 39% received food stamps while off welfare. The fact that as many as 40% of the families said that since going off welfare there were times that the family did not have enough to eat may well be the result of losing food stamp benefits. In addition, a substantial proportion of families were unable to provide adequate clothing for their children; a fifth indicated that the children did not have enough warm clothing during the winter months. Problems with paying rent and keeping up with other housing costs were severe and widespread. A majority of respondents (56%) were late paying the rent and 14% were threatened with eviction. Fifty-seven percent were not able to pay utility bills on time and 16% had their utilities shut off.

Although 43% had been receiving heat/energy assistance while on welfare, only 13% received such assistance after they lost their welfare grant. The fact that nearly a quarter of the families (22%) said that they had less heat in the winter months than they had while receiving welfare is probably a consequence of the loss of this benefit. Nearly two-thirds of the families (64%) had difficulty paying their telephone bills and 18% had their telephones disconnected because they were unable to pay the bills.

For each of the problems cited above the vast majority of families (between 75% and 85%) indicated that the problem had occurred more often since their welfare had been terminated than before.

Medical and Dental Problems

Families were particularly hard hit in the area of medical and dental care. All but 14% stopped receiving Medicaid when they lost their welfare grant. While somewhat more than half (57%) had some type of medical insurance, children were not covered in the majority of cases. Furthermore, a third of the respondents paid for the insurance entirely themselves and an additional 22% paid in part for the insurance. The majority of families (60%) obtained medical or dental care while off welfare for themselves and/or for their children. Most (83%)

had to pay for some of these costs themselves and reported extreme difficulty in doing so. A number of families still owed money months after the medical or dental care had been received. Others were forced to borrow money to pay these bills and some had to take the money earmarked for food and rent in order to meet medical and dental expenses.

In addition, many families had to do without needed medical care because they were unable to afford it. Thirty-eight percent of the respondents told us that they themselves did not get care for a medical problem because they did not have the money. More than a quarter of the families (28%) were not able to attend to a child's illness or medical condition. A great many of these conditions were serious. One mother told us, for example, that she was unable to get medical care for a serious cervical infection. Another woman had a thyroid condition for which she was unable to afford medical care. Another family had to postpone getting medical care for one child with severe eyesight problems and another who had a prolonged stomach virus. More than a quarter of the families (28%) were unable to obtain necessary medication; in three-quarters of these families it was a prescription drug that they couldn't afford. Respondents also said that they were unable to obtain dental care for themselves (42%) and for their children (32%). Almost a third of the parents (30%) needed eyeglasses for themselves or for their children but could not afford to get them.

How Families Managed

These families are experiencing very difficult times. Most (76%) found it necessary to borrow money from relatives and friends and indicated that this occurred to a far greater extent than when they were still receiving welfare. In addition to taking on an extra job and working longer hours, in 16% of the families the respondent or another family member had to leave school or training because of the financial pressures. Asked to describe the overall impact of the loss of welfare benefits, most families (65%) felt that their lives had changed for the worse. Fifteen percent said they had reapplied for welfare.

The cuts were predicated on the assumption that substantial savings would result from the discontinuance of public assistance for the working poor. The premise was that these vulnerable people would not suffer unduly. Our study shows, to the contrary, that deprivation among these families is pervasive and their condition may require increased resources and services in the future. Such a development, contrary to projections, is likely to result in greater economic costs than the short-term savings realized thus far.

Appendix D1

FEDERAL CHILD CARE PROGRAMS AND MODIFICATIONS

I. Title XX

Title XX of the Social Security Act was enacted in 1975 for the purpose of encouraging each state to provide a wide range of services for low-income people. One of its primary goals, as stated in the original legislation, was "achieving or maintaining self-sufficiency, including reduction or prevention of dependency (on public assistance)."* Subsidized child care is just one of a variety of services included in this Act.

The Omnibus Budget Reconciliation Act of 1981 amended Title XX and placed it in the Social Services Block Grant. This amendment incorporates several significant changes:

- The requirement that services be targeted to low-income people has been eliminated.
- States are no longer required to provide matching funds in order to receive Title XX monies. This eliminated the required state match of $1 for every $3 in federal funds.
- States now have much more discretion in spending Title XX funds. Consequently, they are no longer obligated to spend money from the Block Grant on child care, although they may do so.
- The entire Block Grant funding was reduced from $3.1 billion in FY1981 to $2.4 billion for FY1982.
- $200 million, completely federally funded and earmarked for child care, was eliminated.
- Since states are no longer required to provide child care services with Title XX funds, federal child care standards have been eliminated.

The U.S. Department of Health and Human Services is responsible for allocating Title XX to the states, where they are allocated to city and/or county welfare departments or departments of social services to provide child care directly or to contract with other child care facilities. In most cases, contracts for a specified number of Title XX slots are negotiated with local child care centers.

II. The Child Care Food Program

This program reimburses non-residential child care facilities (e.g., day care centers, Head Start programs, family day care homes) for meals and snacks served to low and moderate income children. In order to be eligible for the Child Care Food Program, the child care facility must either be a private non-profit operation or receive public funds. Profit-making centers are also eligible if 25% of the children in the center are funded by the Title XX Social Services Block Grant. The centers are required to: 1) serve meals that meet USDA nutrition guidelines; 2) maintain income eligibility data on participating children; and 3) keep accurate records of their expenditures. Reimbursement varies in New Jersey according to setting. Centers in the state receive a "blended" rate, the average based on the total income makeup of the children in the program. Cuts in the program since OBRA are as follows: 1981-$351 million; 1982-$260 million; 1983-$332.5 million.

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*PL93-647; 88 Stat. 2337, Laws of 93rd Congress, 2nd session.

III. Head Start Program

Project Head Start is a comprehensive child development program designed to help economically disadvantaged preschoolers. There are presently 395,800 children (90% of whom live below the federal poverty level) enrolled in full-year Head Start Programs throughout the country. Although this program is not considered child care, it does allow parents to work, seek work or receive training.

The Head Start program has been included in the Reagan Administration's social "safety net." However, in the past few years there have been cuts in the program. Full-day programs have declined from about one-third in 1972 to about 15% in 1979. Hours per day have been reduced as well as weeks per year. Teachers receive very low salaries, classes and child-staff ratios have increased.

Funding for the program was increased 10% in FY1982 to the current level of $912 million. However, cuts in other programs, such as the Child Care Food Program and CETA, have undermined Head Start's ability to provide quality services. For example, in the 1981-1982 school year, the elimination of many CETA personnel caused the Head Start programs to lose 6,000 workers nationwide serving more than 50,000 children. That same year, the program lost almost $20 million from the Child Care Food Program and approximately $12.1 million from the federal Title XX Social Services Block Grant.

SLIDING-FEE SCALE FOR FAMILIES ELIGIBLE FOR CHILD CARE SUBSIDIES AT TITLE XX DAY CARE CENTERS*

Family Size	Fee of $2.00	Fee of $4.00	Fee of $6.00	Fee of $8.00	Fee of $10.00	Fee of $12.00	Fee of $15.00	Fee of $18.00
	Income	Income	Income	Income	Income	Income	Income	Income
2	0-$1,676	$1,677-$3,351	$3,352-$ 5,027	$ 5,028-$ 6,702	$ 6,703-$ 8,378	$ 8,379-$10,053	$10,054-$11,729	$11,730-$13,404
3	0-$2,070	$2,071-$4,140	$4,141-$ 6,209	$ 6,210-$ 8,279	$ 8,280-$10,349	$10,350-$12,419	$12,420-$14,489	$14,490-$16,558
4	0-$2,464	$2,465-$4,928	$4,929-$ 7,392	$ 7,393-$ 9,856	$ 9,857-$12,320	$12,321-$14,784	$14,785-$17,248	$17,249-$19,712
5	0-$2,858	$2,859-$5,716	$5,717-$ 8,575	$ 8,576-$11,433	$11,434-$14,291	$14,292-$17,149	$17,150-$20,007	$20,008-$22,866
6	0-$3,253	$3,254-$6,505	$6,506-$ 9,758	$ 9,759-$13,010	$13,011-$16,263	$16,264-$19,515	$19,516-$22,768	$22,769-$26,020
7	0-$3,326	$3,327-$6,653	$6,654-$ 9,979	$ 9,980-$13,306	$13,307-$16,632	$16,633-$19,958	$19,959-$23,285	$23,286-$26,611
8	0-$3,400	$3,401-$6,801	$6,802-$10,201	$10,202-$13,601	$13,602-$17,002	$17,003-$20,402	$20,403-$23,802	$23,803-$27,202
9	0-$3,474	$3,475-$6,948	$6,949-$10,423	$10,424-$13,897	$13,898-$17,371	$17,372-$20,845	$20,846-$24,319	$24,320-$27,794
10	0-$3,548	$3,549-$7,096	$7,097-$10,645	$10,646-$14,193	$14,194-$17,741	$17,742-$21,289	$21,290-$24,837	$24,838-$28,386
11	0-$3,622	$3,623-$7,244	$7,245-$10,866	$10,867-$14,488	$14,489-$18,111	$18,112-$21,733	$21,734-$25,355	$25,356-$28,977
12**	0-$3,696	$3,697-$7,392	$7,393-$11,088	$11,089-$14,784	$14,785-$18,480	$18,461-$22,176	$22,177-$25,872	$25,873-$29,568

*This fee scale is used for Before and After Kindergarten Programs and for Summer Camp Programs where the program provides 6 hours or more of care per day.

**For family size over 12, use the income and fee levels for the family of 12.

FEDERAL CHILD HEALTH PROGRAMS AND MODIFICATIONS

I. Medicaid

Title IXX, or Medicaid, was amended into the Social Security Act in 1965. Its purpose was to fund grants-in-aid, enabling state governments to provide vital health care to the poorest American citizens.

Medicaid underwrites services for all families receiving AFDC benefits and those receiving Supplemental Security Income (SSI). These two groups are called "categorically needy." In many states, it also serves recipients of local welfare, the institutionalized and others. Many but not all states have included the "financially needy" (those with low incomes but ineligible for AFDC because of extremely stringent state eligibility criteria) and the "medically needy" (those with incomes exceeding eligibility standards for AFDC but insufficient to cover normal medical expenses). Terminology introduced in OBRA abolished the former term and now the latter, "medically needy," is the only term used.

Financed jointly by both state and federal governments, there are wide differences between states in the way they design and administer their programs although there are certain federal rules with which they must comply (i.e., an individual is entitled to a "fair hearing" before being terminated from the program). A state agency must be designated to administer the program within each state. As with other insurances, the provider of health service is free to join or to refrain from participating. The provider bills the Medicaid state program directly for services delivered in his/her office or in the hospital.

In 1980, almost 11 million children in the country were insured by Medicaid. More than any other age group, low-income children are dependent on Medicaid to pay for their health care. By 1979, 55% of the public dollars being spent on child health care was spent through Medicaid.*

Unfortunately, only about half of the children in low-income families are covered by the program. In some states, the coverage does not extend to families with two parents living in a single household, no matter how poor they are. In others, the family may be poor but not destitute enough to qualify for AFDC.

The program has proven its value to children in many ways. For example, following enactment of the program, infant mortality rates (which had remained fairly constant throughout the preceding decade) fell sharply from 25 deaths per 1,000 live births in 1965, to 13 deaths per 1,000 live births in 1979. Maternal mortality rates declined also. Through Medicaid support, poor families gained access to medical and technical advances which could save their lives.

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*Children's Defense Fund, A Children's Defense Fund Budget: An Analysis of the President's FY1984 Budget and Children. Washington, D.C.: Children's Defense Fund, 1983.

The 1981 Omnibus Budget Reconciliation Act (OBRA) affected Medicaid in several ways:

- By restricting eligibility requirements for the AFDC program, the Act reduced a great number of children and parents who are categorically eligible for Medicaid.

- State discretion in regulating the Medicaid program was increased in several areas. States can now limit Medicaid recipients' use of hospitals and clinics which they determine to be too expensive or which provide services deemed to be medically unnecessary. States are also allowed to reduced their reimbursement rates by paying on the basis of "reasonable charges" rather than providers' costs.

  States with "medically needy" programs (this does not apply to New Jersey) are now permitted to sizeably reduce programs and benefits for those people who earn just above the AFDC or Supplemental Security Income cutoffs.

In addition, federal funding levels to the states were cut across the board, by lowering the percentage of state expenses that it will reimburse. These reimbursement levels were reduced 3% in 1982 and 4.5% in 1984. Between FY1982 and FY1985, federal funding for Medicaid will have been cut a total of $4 billion.

Congress did pass several strengthening proposals that:

- Exempt children from co-payment (See Glossary) charges for services received under Medicaid.

- Exempt pregnant women from co-payment charges for pregnancy related services received under Medicaid.

- Allow states to provide for home health care to handicapped children if these are less expensive than institutionalized care.

- Clarify standards for "medically needy" programs in states where they exist. These programs must now, at a minimum, give coverage for all medically needy children under 18, and pre-natal/delivery care for all medically needy women.

New provisions in the Medicaid statute, effected by OBRA regulations, now allow for more flexibility in the setting up of medically needy programs. Until 1981, if a state chose to establish a medically needy program, it had to cover all needy people in the state (as determined by state eligibility guidelines) who had no health insurance but were earning too much money to be eligible for AFDC or SSI. The state also had to provide the same array of health services to each person.

Less comprehensive programs are now allowed by law, such as those which reach only certain categories of eligible people and provide less comprehensive packages of benefits. The basic requirement is that in a limited program of this sort, coverage must be provided for out-patient health care to low-income children under 18 and for prenatal and delivery services to pregnant women.

In March, Mississippi became the first state to take advantage of this provision. Its limited medically needy program includes prenatal care and delivery services for both married and single low-income mothers, hospital care for their infants at birth, and out-patient care for children from poor single and two-parent families. Mississippi's Medicaid Commission estimates that the program, beginning in July, 1984, will cover some 2,600 new births and 18,000 additional children not covered by Medicaid during its first year.

II. Maternal and Child Health Block Grant

Since 1935, the Maternal and Child Health Program, Title V of the Original Social Security Act, has provided special health services to millions of children and expectant mothers in the United States every year. It was enacted with the goal of ensuring that American children have the best possible opportunity of growing up healthy. Today it provides a variety of health services ranging from basic prenatal care and immunizations, to sophisticated care of high-risk newborns and children with handicaps and crippling diseases.

In 1981, due to OBRA regulations, this program was consolidated into a Block Grant with six other programs.* Funding for the Title V Maternal and Child Health Block Grant (MCH) was cut 18% in FY1982, and remained frozen at that level in FY1983. As a result of the legislation, the state Maternal and Child Health Agencies responsible for administering the funds now have greater discretion as to which health services they will offer.

Recent passage of the Jobs Bill** has appropriated an additional $105 million for the MCH Block Grant, which are not to supplant existing funds. This sum is not guaranteed for the following year.

III. Other Programs

Funding for community health centers, which provide comprehensive care in medically underserved areas in the nation, was cut by 13% in FY1982. Migrant health centers suffered the same fate, when the funding was cut by 12%. These two programs have been shown by studies to deliver high quality and cost-effective care, reducing hospitalization by between 25% and 44%. It should be noted that the migrant centers reach a population in which almost 20% of the women (four times the national average) receive little or no prenatal care, and in which nearly half of all women have experienced at least one birth out of hospital.

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*These include lead poisoning prevention, sudden infant death services, adolescent pregnancy prevention, rehabilitative services for disabled children, genetic screening and counselling and treatment for hemophilia.

**Emergency Jobs Bill, P.L. 98-8; signed into law March 25, 1983.

Family planning programs were also cut. With about 5,000 sites nationwide, they lost 23% from FY1981 funding levels. All three of these programs were proposed for Block Granting and larger reductions but Congress did not concur. For FY1983, they were again funded at the reduced FY1982 levels with the exception of the Community Health Center Program which received a 5% increase.

The Childhood Immunization Program, which provided free vaccinations in 1981 for over six million children, was targeted for cuts in 1981. Congress did not concur with Administration proposals, however, and increased funding in both FY1982 and FY1983 (by 28% and 13%, respectively). With passage of the Jobs Bill, $70 million has been provided to both health center programs described above with $20 million earmarked for home health services. Twenty percent of the funds may be used to purchase inpatient hospital services for delivery of pregnant women and care for new mothers and infants who cannot pay for hospitalization.

Unemployment and Health Care

In recent years high unemployment rates have left millions of additional families in America without any medical insurance. The Congressional Budget Office estimates that 10.2 million Americans were without these benefits in February of 1983, because the provider of the family was out of work. On the national level, and in some states, there has been a move to provide medical coverage for the unemployed. At this time, however, no programs of this type have been instituted.

THE HILL-BURTON UNCOMPENSATED CARE PROGRAM

In 1946, legislation sponsored by Senators Lister Hill and Harold Burton was enacted to provide Federal assistance to communities to construct and modernize health care facilities. "Hill-Burton" is the popular name for this health care facilities construction assistance program. Facilities which received Hill-Burton assistance include certain publicly owned and private nonprofit hospitals, long-term care facilities, rehabilitation facilities, public health centers, and out-patient facilities. With the enactment of the Health Planning and Resources Development Act of 1974, certain aspects of the Hill-Burton program were modified and made part of that legislation. One of the provisions included in the new law relates to uncompensated care.

THE UNCOMPENSATED CARE PROGRAM

Each medical facility which has received Hill-Burton assistance must provide annually a reasonable volume of services to persons unable to pay for those services if the facility is financially able to do so. Services which are provided to persons at no charge or at less than the normal charge are referred to as "uncompensated care".

A facility can meet its uncompensated care obligation if, for each year of its obligation, it elects one of these three options:

- Provides an amount equal to three percent of its operating costs less Medicare and Medicaid reimbursement.
- Provides an amount equal to ten percent of the total of all Federal assistance received; or
- Agrees not to deny admission to any individual because of that person's inability to pay and makes those services available at no charge.

The income eligibility guidelines for the Hill-Burton Uncompensated Care Program are based on the federal poverty income guidelines.

WIC PROGRAM GUIDELINES AND FUNDING

The WIC program serves two essential functions: 1) it provides pregnant and lactating women, their infants and children under five with dietary supplements such as milk, eggs, cereal and baby formula; and 2) it teaches mothers how to provide nutritionally sound meals for their children.

Using the voucher system, eligible WIC participants pick up a packet of "food prescriptions" each month which specify the exact type and quantity of food to which that person is entitled. These "prescriptions" are made out by the WIC nutritionists to specifically meet the needs of each family. The vouchers can only be redeemed at participating grocery stores and only for those products which are specified. As part of the nutrition education component of the program, individual and group counseling sessions, literature, film and slide presentations, food demonstrations and other modes of communication are made available to participants in an effort to assure better health through good nutrition.

The federal guidelines for WIC eligibility have these components:

1) Economic need - the person's gross family income cannot exceed 185% of the poverty level.

2) Nutritional need - the person must have a documented medical/-nutritional condition such as anemia, abnormal growth, high risk pregnancy or inadequate dietary intake.

3) Access to ongoing health care - through private doctors, clinics or other arrangements. (Certain programs in New Jersey require that recipients be receiving ongoing medical care.)

(The New Jersey program has a fourth requirement: the participant must be a resident of the area serviced by the particular WIC site attended.)

Since all women and children meeting the eligibility requirements cannot possibly be served, the federal government has set up nutritional Risk Categories to be used in ranking eligible recipients. The six categories are (in rank order):

1) Pregnant and nursing women and infants at nutritional risk as evidenced by documented medical conditions which demonstrate the person's need for supplemental foods (e.g., diabetes, tuberculosis, high-risk pregnancy in mothers, low-birth weight, anemia, abnormal growth patterns in infants).

2) Infants (up to six months) of WIC participants who participated during pregnancy, and infants born of women whose medical record documents they were at risk during pregnancy.

3) Children (one to five years of age) at nutritional risk as demonstrated by documented medical evidence which demonstrates the child's need for supplemental foods.

4) Pregnant and nursing women and infants at nutritional risk because of an inadequate dietary pattern.

5) Children in nutritional need because of an inadequate dietary pattern.

6) Postpartum women determined to be at nutritional risk as evidenced by anemia, abnormal growth patterns (obesity, underweight) or inadequate dietary pattern.

Participants must be reassessed every six months to determine whether they still need the food supplements provided by WIC. Although the primary function of this reassessment is to determine continuing eligibility, it is important to note that these bi-annual check-ups monitor the child's health and development, which in many cases would be virtually unattended if not in this program.

The WIC program is federally funded and administered on a national level by the United States Department of Agriculture. States receive a specific amount of WIC funds from the federal government based on a funding formula. Since WIC is not an entitlement program (See Glossary), eligible recipients can be and are turned away, if funding for the program is not sufficient. The states are not required to appropriate a local share of funds to match these dollars. Administration attempts to reduce WIC funding in 1981 and 1982 were rejected by Congress. In fact, WIC is presently one of the few federal programs for low-income families that has managed to escape budget cuts. The program received $1.09 billion for FY1983 and the 1984 appropriation is expected to be the same.

INFANT MORTALITY RATES
NEW JERSEY

RESIDENT INFANT DEATHS*

Counties and Selected Places, New Jersey: 1980 - 1981**

PLACE OF RESIDENCE	1980		1981	
	Number	Rate***	Number	Rate***
STATE TOTAL	1,201	12.5	1,016	10.6
ATLANTIC COUNTY	47	17.6	37	13.8
Atlantic City	21	35.2	16	23.3
BERGEN COUNTY	69	8.3	72	8.4
BURLINGTON COUNTY	43	9.3	44	9.5
CAMDEN COUNTY	101	13.6	80	10.5
Camden City	42	20.3	33	16.3
Cherry Hill Township	6	9.5	7	11.2
Gloucester Township	3	4.7	11	17.3
CAPE MAY COUNTY	7	6.8	10	9.3
CUMBERLAND COUNTY	26	12.5	14	6.8
Vineland City	8	10.0	7	9.0
ESSEX COUNTY	199	16.4	169	14.8
Bloomfield	4	7.6	2	3.8
East Orange	31	24.0	30	23.7
Irvington	9	10.3	13	15.4
Newark	117	19.2	95	17.3
GLOUCESTER COUNTY	40	13.4	28	9.3
HUDSON COUNTY	126	15.4	90	11.2
Bayonne	11	15.0	10	14.1
Hoboken	8	12.3	6	9.7
Jersey City	75	18.9	48	12.3
North Bergen Township	7	12.4	5	9.4
Union City	9	10.8	8	9.3
HUNTERDON COUNTY	8	7.7	9	8.1
MERCER COUNTY	57	14.2	58	14.4
Hamilton Township	8	8.3	13	13.6
Trenton	39	22.0	34	19.1
MIDDLESEX COUNTY	86	11.9	79	11.0
Edison Township	9	10.3	13	15.6
New Brunswick	13	22.4	5	9.6
Old Bridge Township	9	18.1	8	15.0
Piscataway Township	3	5.2	6	10.6
Woodbridge Township	7	8.2	9	10.3
MONMOUTH COUNTY	66	10.9	59	9.6
Middletown Township	2	2.9	4	6.0
MORRIS COUNTY	40	8.4	42	8.7
Parsippany-Troy Hills	2	3.6	5	8.1
OCEAN COUNTY	46	10.0	39	8.5
Brick Township	15	20.2	7	9.2
Dover Township	9	11.6	7	8.5
PASSAIC COUNTY	90	13.9	74	11.2
Clifton	9	12.2	4	5.3
Passaic City	13	12.9	12	11.9
Paterson	51	18.1	39	14.2
Wayne Township	3	9.0	4	9.7
SALEM COUNTY	11	12.1	14	14.8

RESIDENT INFANT DEATHS

PLACE OF RESIDENCE	1980		1981	
	Number	Rate	Number	Rate
SOMERSET COUNTY	20	8.6	18	7.8
SUSSEX COUNTY	16	8.8	13	7.4
UNION COUNTY	83	14.0	56	9.6
Elizabeth	24	13.6	18	10.9
Plainfield	18	23.6	12	15.9
Union Township	3	8.2	1	2.4
WARREN COUNTY	13	11.1	8	7.2
STATE INSTITUTIONS MILITARY POSTS	7	11.9	3	

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*Source: The New Jersey Department of Health.

**1982 data was not available at printing time.

**The rate is the number of deaths in children under one year per 1,000 live births.

Appendix F3

WIC PROGRAM INCOME ELIGIBILITY STANDARDS

As based on Office of Management and Budget Income Poverty Guidelines
of
July 1, 1982

Participation in the WIC Program is limited to those persons whose gross family income (i.e., income before deductions for income taxes, employee's social security taxes, insurance premiums, bonds, etc.) is equal to or less than the income poverty guidelines increased by 85%*.

Family Size	Maximum Allowable Income for Participation in WIC Program (185%)			
	Annual	Monthly	Bi-Weekly	Weekly
1	8,660	722	333	167
2	11,510	959	443	221
3	14,360	1,197	552	276
4	17,210	1,434	662	331
5	20,050	1,671	771	386
6	22,900	1,908	881	440
7	25,750	2,146	990	495
8	28,600	2,383	1,100	550
Each additional Family Member	2,850	238	110	55

In applying the income poverty guidelines, consider the income of the family during the past twelve months and the family's current rate of income to determine which is a better indicator of income.

After a client's income status has been evaluated using the above criteria, all pertinent facts describing the client's income must be recorded on the Notice of Eligibility or Ineligibility.

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*Local Standards for income eligibility may not be set lower than 100% of the OMB Income Poverty Guidelines. Local agencies wishing to set standards lower than the 185% must obtain State approval.

Source: The WIC Program at the University of Medicine and Dentistry of New Jersey.

PERCENTAGE OF WIC ELIGIBLES RECEIVING SERVICES IN 1982

AGENCY	MONTHLY PARTICIPATION	POTENTIAL ELIGIBLES	ELIGIBLES SERVED
Atlantic City	942	1,701	55.38%
Atlantic County	945	4,690	20.15
Burlington County	2,025	5,338	37.94
Camden County	3,066	12,075	25.39
Cumberland County	1,747	8,956	19.51
East Orange	1,982	2,675	74.09
Gloucester County	1,883	4,284	43.95
Hoboken	1,105	2,465	44.83
Jersey City	5,120	7,673	66.73
Monmouth County	2,089	8,872	23.55
Newark	5,305	18,345	28.92
North Hudson	1,739	3,789	45.90
Norwescap (North Western Counties)	1,519	2,741	55.52
Plainfield	2,354	3,404	69.15
St. Joseph's (Passaic County)	2,827	13,074	21.62
Sussex County	1,084	2,285	47.44
Trenton	2,428	4,954	49.01
UMDNJ (Essex County)	3,042	9,040	33.65
Ocean County	1,045	7,242	14.43
Passaic City	1,039	2,167	47.95
Paterson	1,215	6,231	19.50
St. Elizabeth (Union Co)	537	2,793	19.23
Middlesex County	1,233	7,422	16.61
Bayonne	440	927	47.46
TOTAL	46,711	143,143	33.16

Source: New Jersey State WIC Program.

FEDERAL PROGRAMS SUPPORTING MENTAL HEALTH SERVICES AND MODIFICATIONS

I. Alcohol, Drug Abuse and Mental Health Block Grant (ADAMH)

The ADAMH Block Grant was initiated in 1981 with no special funding requirements for children's services. It does specify that 20% of the alcohol and substance abuse funds included in the Block Grant be used for prevention and early intervention activities, but applies no similar restrictions on the mental health funds. Community mental health centers funded through this grant are required to provide some out-patient services for children, but not at any specific level.

In the FY1982 and FY1983 budgets this Block Grant was funded at $439 million. This was 26% below the former accumulated level of funding appropriated in FY1981 for the individual programs that were consolidated to form ADAMH.

II. Title XX

Also impacting on the provision of mental health services were the cuts in the Title XX Social Services Program. This program provides a variety of services, some of which benefit children and families in need of mental health services. Examples are youth services, programs for alcohol abusers, protective services for abused and neglected children, and community mental health social services. The Title XX Social Services Program was Block Granted in 1981 and cut 21% to $2.4 billion federally. (Additional comments can be found in Appendix DI and HI.)

III. Medicaid

In this state, mental health care by licensed psychiatrists and psychologists, as well as services rendered by approved mental health centers and institutions, are paid for through Medicaid. Eligibility restrictions, particularly those affecting AFDC applicants, have caused thousands of New Jersey children and their parents to lose Medicaid benefits.

IV. Other Cuts

The termination of the Law Enforcement Assistance Agency (LEAA) which sponsored the State Law Enforcement Planning Agency (SLEPA), resulted in the termination of multiple SLEPA grants throughout New Jersey. A number of these grants were specifically used to provide mental health treatment for children on probation and their families. Although SLEPA grants were awarded as starter funding, with the expectation that costs of the programs (which were successful) would be locally assumed, tight fiscal constraints on the local government and provider agencies have resulted in few of these programs continuing once the grants ended.

Cuts in funding for other programs, such as the Child Abuse Prevention and Treatment Act (which was reduced from $23 million in 1981 to about $16.2 million in 1982, nationally) have also resulted in reduction of available funding and services for disturbed and troubled children.

FEDERAL PROGRAMS SUPPORTING CHILD WELFARE SERVICES AND MODIFICATIONS

I. The Adoption Assistance and Child Welfare Act of 1980 (P.L.96-272)

This law was enacted to encourage child welfare reform by providing federal money to states for a number of actions such as support services to families, a census of children in out-of-home placements, a review of these children semi-annually, etc. The Act was maintained by Congress although there were repeated attempts on the part of the Administration to fold it into a Block Grant and to reduce its funding. The foster care and adoption assistance portions of the Act, kept as entitlements, ensure funding for as many children as are eligible. (The adoption assistance program, for instance, provides federal funds to states to assist with the adoption of children with special needs - such as those with emotional and physical handicaps - by granting financial subsidies to adoptive parents). The child welfare services program, however, was cut by 4%, down to $154.3 million, for both FY1982 and FY1983.

II. Title XX

The Title XX Social Services Program, which funds a host of services for abused and neglected children, as well as those in foster homes and residential treatment centers, was placed into the Social Services Block Grant in FY1982, and funded at $2.4 billion, 21% less than its previous level. As a Block Grant, the program contains neither target funds for low-income families nor does it require state matching funds (formerly $1 for every $3 in federal money) which had been mandated in the Title XX Program.

For FY1983 the Administration proposed an additional 17 percent cut in the Block Grant. Instead, Congress maintained the Block Grant at its authorized level of $2.45 billion for FY1983. In a last effort to reduce the program's funds, the Administration provided money to states at the beginning of FY1983 based on a funding level of $2.4 billion, rather than the $2.45 billion anticipated in the continuing resolution. (See Appendix DI.)

III. Child Abuse Prevention and Treatment Act

In 1982, funding for the child abuse program was reduced from $22.9 million to $16.2 million. While the state grant portion of the Act was not cut further in 1983, funding was not restored to its previous level.

NEW JERSEY DIVISION OF YOUTH AND FAMILY SERVICES

FOSTER CARE BOARD RATES AND QUARTERLY CLOTHING SCHEDULES*

BOARD RATES

Ages birth through 5	$160 per month
Ages 6 through 9	$171 per month
Ages 10 through 14	$189 per month
Ages 15 and over	$200 per month

SPECIAL SUPPLEMENTARY SERVICE PAYMENT

$40 monthly service payment for children who need additional physical care or supervision. Examples: this includes children who need extra care following hospitalization; children who may be having a bedwetting problem, or children needing to attend regularly a mental health or medical facility.

$75 monthly service payment for children who need extensive supervision or extensive physical care. Examples: this includes children who are destructive in the foster home, who are not attending school, or who have a physical problem requiring considerable time and care.

$115 monthly service payment for children who need very intensive supervision or physical care. Examples: children who are bedridden and who need total physical care; certain retarded children awaiting institutionalization and disturbed children who are very hyperactive and/or destructive.

QUARTERLY CLOTHING SCHEDULE

Age Group	Paid Feb.	Paid May	Paid Aug.	Paid Nov.	TOTAL
2 and under	$ 40	$ 30	$ 54	$ 51	$175
3 - 4	55	34	61	48	198
5 -12	74	57	86	68	285
13 and over	110	67	118	98	393

MAXIMUM INITIAL CLOTHING ALLOWANCES:

Ages birth through 6 months	$ 80
Ages 6 months through 2 years	100
Ages 2 through 4 years	110
Ages 5 through 12 years	175
Ages 13 and over	200

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*From Foster Care, final report of the New Jersey Foster Care Assessment Task Force, March, 1982.

FEDERAL EDUCATION PROGRAMS AND MODIFICATIONS

In 1965, Title I of the Elementary and Secondary Education Act was adopted, designed to provide remedial and compensatory instruction in reading and mathematics to educationally disadvantaged children living in low-income areas. During the 1980-1981 school year, approximately 5.4 million students, preschool through grade twelve, received Title I services. About 4.2 million (78%) of these children received services in reading; 46 percent received services in mathematics.

All recent evaluations have found that children receiving Title I services improved both reading and mathematics scores significantly over those in need but not served by Title I. Only 45% of eligible children participated in the program during the 1981-1982 school year. They were concentrated in the lower grades of elementary schools. Fewer than 20% were in the upper school levels.

Considerable change in the compensatory education program, indicative of a different philosophy regarding government intervention in education, was brought about by passage of the Omnibus Reconciliation Act of 1981. Although the Congress thwarted the Administration's attempt to eliminate Title I completely and replace it with a Block Grant, the legislation repealed the old Title I and in its place substituted Chapter I of the Education Consolidation and Improvement Act. As a result of this change, Parent Advisory Councils were eliminated, most program accountability regulations were removed, and basic financial support for the program was substantially restricted. On the other hand, low-income districts remained the focus, low-income children in need of compensatory education were still required to be served, and federal funds were still to be "supplements" of local and state funds and could not supplant them.

While the program was authorized in FY1982 at $3.48 billion, Congress allocated only $2.8 billion, plus a later supplement of $148 million to offset drastic funding shifts between localities as an outcome of population changes reported by the census. In FY1983, Congress restored the program to its former FY1981 level of $3.2 billion despite the call of the Administration to cut the funding to $1.98 billion.

The new Chapter I legislation also cut the $100 million Concentration Grant Program, which under Title I provided additional funds to the largest and poorest cities and most destitute rural areas.

II. Education for All Handicapped Children Act (P.L.94-142)

This Act was implemented in 1975 to ensure that handicapped children receive a proper education and appropriate special education services. Participation in this program is optional, but every state except New Mexico participates.

The requirements, in order to receive federal funding, are as follows:

. A policy ensuring a free, appropriate education must be in place in the state.

- Education programs must be individually tailored through Individual Education Programs (I.E.P.'s) which must have parental consent.

- Special services called "related services" (such as mobility assistance) needed for the child in order to participate in and benefit from the program must be provided.

Education programs for handicapped children are currently funded at $1.1 billion for FY1983, a level that is slightly below the FY1981 level.

III. Vocational Education

In 1976, in order to assist states with vocational education, P.L.94-482 Title II - Vocational Amendments, was passed. The goal for this legislation was to assist states to involve a wide range of agencies and individuals, concerned with vocational education and employee training within the state, in the development of vocational education plans. Federal grants to the states were authorized to help improve and maintain existing vocational education programs; to develop new programs; and to plan and carry out measures to overcome sex discrimination and stereotyping. In addition, grants were authorized to provide part-time employment for youth who need the earnings in order to continue full-time vocational training.

The funding targeted for adolescent students under this Act was cut to $653 million in FY1982, 16% less than FY1980. For FY1983, the Administration proposed consolidating vocational and adult education into a Block Grant, with a reduced total of $500 million for both programs. However, actual appropriations by Congress totalled $728.6 million for the youth vocational program and the Block Grant proposal was rejected.

At this writing, the House Joint Appropriations Committee has proposed approximately $706 million for FY1984 and has again rejected the Block Grant blueprint. Senate action is unknown at this writing.

IV. Bilingual Education

In 1969, the Bilingual Education Act was approved and signed into law as Title VII of the Elementary and Secondary Education Act. The law clearly carried a compensatory framework with intent to address English language deficiencies. Funds are awarded directly to the local districts on the basis of need; the numbers and variety of languages that are spoken; the types of students to be served so as to redress inequities such as sex and minorities; the type of staffing, and other considerations. In addition, there must be a commitment by the district that it will continue the bilingual program after the termination of the grant, since it is given in order to help institute the program and is not meant to become permanent. In fact, most grants to local districts are awarded on a three-year basis, although some have been given for one year only.

Bilingual program funding has decreased 28% from $191.5 million in school year 1980-1981 to $138.1 million in school year 1982-1983. This cut occured in spite of recommendations by the National Advisory Council on Bilingual Education (established by the Act to advise Congress and the Secretary of Education) for a $6 million increase in 1983.

V. School Lunch Program

Twenty-three million children in over 90,000 schools participate in the School Lunch Program. Although only half of these children come from low-income families, the bulk (80%) of the federal funding supports free and reduced-price meals served to low-income children.

One billion dollars (30%) was cut from the School Lunch Program in FY1982. This was done primarily by lowering eligibility limits for free and reduced-price meals and reducing federal subsidies given by the government to schools for the lunches. It should be noted that the biggest reductions made in subsidies were for reduced-price meals, those served to near-poor children.

VI. Chapter II of the Education Consolidation and Improvement Act.

Chapter II abolished thirty categorical education programs, funds of which went overwhelmingly to large cities, and replaced them with a Block Grant. The largest of the programs which were repealed, the $150 million Emergency School Aid Program, helped cities with desegregation - related problems and helped to set up racially mixed "magnet" schools to attract children from areas outside of those with minority concentrations.

FEDERAL PROGRAMS SUPPORTING JUVENILE JUSTICE AND MODIFICATIONS

I. Juvenile Justice and Delinquency Prevention Act (JJDP)

The Juvenile Justice and Delinquency Prevention Act of 1974 made federal assistance available to help states develop plans for conducting effective delinquency prevention programs, diverting juveniles from the traditional juvenile justice system, and providing needed alternatives to institutionalization. The Act revitalized federal efforts and enabled states and local governments to develop and implement innovative approaches to preventing juvenile crime and delinquency. The heart of the Act is a requirement that states develop comprehensive plans to remove all non-offenders (dependent and neglected children) and status offenders (children whose offenses such as truancy and running away from home would not be crimes if they were adults) from secure detention and correctional facilities. It also requires that juveniles be removed from adult jails. State participation is voluntary and is a condition of receiving federal funds. As of spring 1982, 45 states participated.

While progress has been made toward its goals, there is continuing need. Although the number of status offenders in detention and secure facilities has been reduced in participating states, there are still over 479,000 juveniles held in approximately 8,800 adult jails and lockups each year.

Before OBRA, the JJDPA was funded at slightly over $100 million, a decrease from previous years when Law Enforcement Assistance Administration funding had been available. The Administration proposed to integrate the JJDP Program into the Social Services Block Grant as well as reduce funding by 25% and remove federal requirements that funds be used solely for juvenile justice purposes. In essence, this would have been the elimination of the program and cancellation of its funding.

Congress voted to retain the Act but cut funding to $70 million in both FY1982 and FY1983.

II. Title XX

Counselling programs, youth services bureaus and legal services are all financed through Title XX in New Jersey. When New Jersey's Title XX funds were reduced by $20 million in FY1982, each of these programs were significantly cut. (For additional information on Title XX, see Appendix DI and Appendix HI.)

GLOSSARY

1. Block Grant Funding - The Omnibus Budget Reconciliation Act in 1981 combined 57 categorical programs (programs which had been formerly funded individually to provide specific services) into nine large funding groups called "block grants." Funds which had previously been allocated for the individual programs, now block-granted, were lumped together and then reduced as much as 25%. This Act also transferred responsibility for administration, delivery of service, decision-making and program accountability from the federal government to the state.

2. Categorically Needy - Term used to describe individuals who are automatically eligible for Medicaid because they are eligible for AFDC or Supplemental Security Income (SSI).

3. Comprehensive Employment and Training Act (CETA) - A program enacted in 1973 to provide funds for work programs and other employment-related services for people who were unemployed, or underemployed due to lack of skills, or economic disadvantages. OBRA eliminated or drastically reduced several components of this program; for example, the Public Sector employment program through which many day care workers were trained and employed.

4. Co-payment - For Medicaid recipients, that part of the cost for medical service which they must pay. In New Jersey, there is no co-payment stipulation.

5. Diagnosis Related Groups (DRG) - A new model formula used in New Jersey to calculate hospital reimbursements. The rates are based on pre-established average lengths of stay for different categories of illness rather than on the actual number of days of hospitalization.

6. Earned Income Tax Credit (EITC) - Tax rebates from the Internal Revenue Service on earned income, for which low income families may be eligible. New regulations in determining AFDC income eligibility and formulas for setting benefit levels require that states assume that eligible parents receive monthly payments of the EITC.

7. Entitlement Program - A program whose benefits are automatically available to all persons who meet eligibility requirements. AFDC, SSI and Medicaid are examples of entitlement programs. The federal government is currently required to provide entitlement benefits for all citizens who are economically eligible.

8. Family Day Care - Child care offered in the home of a provider, as opposed to a center.

9. Fiscal Year (FY) - The twelve month period covered by a government budget. The federal fiscal year runs from October 1 to September 30, whereas New Jersey's fiscal year begins July 1.

10. Infant Mortality Rate - The number of deaths of children under one year of age per 1,000 live births.

11. Juvenile Conference Committee (JCC) - A local group of citizens appointed and supervised by the county court system, responsible for hearing and deciding matters referred to them by the court. A JCC does not have the authority to order a juvenile confined, placed on probation, or removed from his/her family.

12. Lump Sum Payment - Any type of non-regular, one-time-only income which must be considered when calculating a monthly AFDC grant. A lump sum payment may be awarded because of an error on the part of the AFDC office, for example, or it may take the form of an insurance payment. Formerly, families were eligible for AFDC as soon as their lump sum ran out. Now the sum is budgeted for a specific period of time by the AFDC office, and the family can not reapply for AFDC until that period of time is over.

13. Matching Funds - State or locally generated funds required in order to receive a state's share of federal funds for certain programs.

14. The Omnibus Budget Reconciliation Act of 1981 (OBRA) - The major piece of legislation proposed by the Reagan Administration and enacted by Congress in 1981 as an attempt to curtail excessive federal spending. This was accomplished by cutting the allocation of many programs, in particular social service programs. The Act also relaxed federal regulations for these programs, reduced many federal matching requirements and created nine Block Grants.

15. Standard of Need - The amount of money which a state determines is needed by a family each month to achieve a minimum standard of living within its borders. In New Jersey, the standard of need for a family of four is $412 per month.

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